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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

vs. :

**CHARLES C. SLOWEY, JR; ENDEAVOR
PARTNERS, LLC; ENDEAVOR CAPITAL
MANAGEMENT GROUP, LLC; EDWARD D.
PUTTICK, SR.; ADVANCED PLANNING
SECURITIES, INC.; GREGORY L. OLDHAM;
GLENN R. HARRIS; and OLDHAM HARRIS INC.,** :

Defendants. :

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COMPLAINT

WEXLER, J.
BOYLE, M.J.

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Plaintiff Securities and Exchange Commission (the "Commission") for its Complaint against defendants Charles C. Slowey, Jr. ("Slowey"), Endeavor Partners, LLC ("Endeavor Partners"), Endeavor Capital Management Group, LLC ("Endeavor Capital" and, together with Endeavor Partners, the "Management Companies"), Edward D. Puttick, Sr. ("Puttick"), Advanced Planning Securities, Inc. ("APS"), Gregory L. Oldham ("Oldham"), Glenn R. Harris ("Harris"), and Oldham Harris, Inc., also known as Oldham & Harris, Inc. ("OHI", and together with Slowey, Endeavor Partners, Endeavor Capital, Puttick, APS, Oldham, and Harris, the "Defendants") alleges as follows:

SUMMARY

1. This action concerns the victimization of approximately 90 investors who collectively invested almost \$12 million in the securities of four unregistered, interrelated real-estate investment funds known as the "Endeavor Funds." The investors are mostly retired and senior citizens, many of them unsophisticated investors of limited means. They have lost most of the money they invested in the Endeavor Funds as a result of false statements and omissions by Slowey, misappropriation of investor funds by Slowey, large fees and commissions paid to Slowey, APS, Oldham, Harris, and OHI, and the failure of the highly risky investments made by the Endeavor Funds.

2. The investors were victims of securities fraud committed by Slowey and the Management Companies, and by APS, the broker-dealer firm that, by the decisions and actions of its president, Puttick, agreed to sell the Endeavor Funds through its agents, including Oldham and Harris and/or their company OHI, as described below. Slowey, the Management Companies, Puttick, APS, Oldham, Harris, and OHI further victimized investors by offering and selling securities for which there was no registration statement in effect and that were not exempt from the registration requirements of the federal securities laws, thus depriving the investors of adequate disclosure and other important protections mandated by the registration requirements.

VIOLATIONS OF FEDERAL SECURITIES LAWS

3. Slowey, the Management Companies, APS, and Puttick has each, directly or indirectly, singly or in concert, engaged in transactions, acts, practices, or courses of business that constitute violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], Section 10(b) of the Securities Exchange Act of

1934 (“Exchange Act”) [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

4. Oldham, Harris, and OHI has each, directly or indirectly, singly or in concert, engaged in transactions, acts, practices, or courses of business that constitute violations of Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

JURISDICTION AND VENUE

5. The Commission brings this action pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], and seeks permanent injunctions to restrain and enjoin Slowey, the Management Companies, Puttick, Oldham, Harris, and OHI from engaging in the transactions, acts, practices, and courses of business alleged herein. The Commission seeks an order requiring all defendants to disgorge their ill-gotten gains and to pay prejudgment interest thereon on a joint and several basis. The Commission seeks civil monetary 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)] against all defendants. Finally, the Commission seeks all other just and appropriate relief.

6. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

7. Venue lies 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]. Certain of the transactions, acts, practices, and courses of business alleged herein occurred within the Eastern District of

New York. For instance, the Management Companies and the Endeavor Funds maintained their place of business in Hauppauge, New York; APS maintained its principal office in Smithtown, New York; Slowey resides in Oak Beach, New York; and Puttick resides in Setauket, New York. On several occasions from 2004 to 2006, Oldham and Harris attended meetings held in this District in connection with their employment by APS, the offering and sales of interests in the Endeavor Funds, and the operation of the Endeavor Funds.

8. Defendants, directly or indirectly, have each made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation or communication in interstate commerce, and/or the mails, in connection with the transactions, acts, practices, and courses of business alleged herein.

DEFENDANTS

9. **Slowey**, age 65, owns Endeavor Partners, is a co-owner of Endeavor Capital, and controls both entities. Slowey resides in Oak Beach, New York. Slowey has Series 7, 24, and 63 licenses, and was a registered representative associated with APS during most of the period relevant to the conduct alleged herein.

10. **Endeavor Partners** is a New York-based limited liability company that is headquartered in Hauppauge, New York. It is owned and controlled by Slowey, and acts as the managing member of Endeavor Real Estate Fund I, LLC ("Fund I") and Endeavor Real Estate Fund II, LLC ("Fund II").

11. **Endeavor Capital** is a New York-based limited liability company that is headquartered in Hauppauge, New York. Slowey controls and co-owns this company, which is the managing member of the Endeavor America Fund, LLC (the "America Fund") and one of the

managing members of Windsor Lake Estates, LLC (the "Windsor Fund").

12. **APS** is a New York corporation established on or around February 21, 1974 and a former registered broker-dealer headquartered in Smithtown, New York. It filed a Form BDW, withdrawing its registration as a broker-dealer, which became effective February 24, 2009. Prior to then, APS employed registered representatives in branch offices and satellite offices.

13. **Puttick**, age 70, was the owner, president, and compliance officer at APS since its inception in August 1991 through August 2006. Among other supervisory duties, Puttick supervised the sale of private placement securities by most registered representatives at APS. Puttick resides in Setauket, New York. Puttick has Series 7, 24, and 63 licenses. Since January 2009 Puttick has been a registered representative with Waterford Investor Services, Inc. ("Waterford"), a registered broker-dealer and registered investment adviser.

14. **Oldham**, age 59, was a registered representative at APS from August 18, 2004 until December 31, 2008. Oldham first obtained Series 6 and 66 licenses in 1999, but obtained his Series 7 license only in March 2007. Oldham worked from an APS satellite office in Kenosha, Wisconsin. Oldham (formerly with Harris) also operates defendant OHI, a retirement advisory business. Oldham is currently a registered representative with Waterford and an investor adviser representative at Advanced Planning Capital Planning Corporation, a registered investment adviser.

15. **Harris**, age 34, worked at APS from January 7, 2004 until December 31, 2008, and is the son-in-law of defendant Oldham. Harris worked from the same APS office as Oldham, in Kenosha, Wisconsin. During the relevant period, Harris held Series 6, 7, and 63 licenses.

Harris now resides in Santa Rosa, California.

16. **OHI** is a Wisconsin corporation engaged in retirement planning and other activities including sale of insurance, annuities, and other investments. OHI received commissions for sale of the Endeavor Funds from APS and then divided net profits after business expenses between Oldham and Harris. Although Oldham, Harris, and OHI sold its customers highly risky, unregistered securities in the Endeavor Funds, and although many of those customers have thus lost a large part of their retirement savings, OHI continues to promote itself with the motto "Your Secure Retirement is Our Business."

ISSUERS

17. **Endeavor Real Estate Fund I, LLC** ("Fund I") is a New York limited liability company established on November 14, 2003 with its principal place of business in Hauppauge, New York. According to its Private Placement Memorandum ("PPM") dated January 1, 2004, Fund I offered up to \$10,000,000 in securities, including Class A 12% Membership Interests with a term of 36 months and Class B 9% Membership Interests with a term of 24 months. Fund I purported, in its PPM, to be in the business of the purchasing, managing, servicing and sale or otherwise liquidation for a profit, of residential properties (including up to four (4) unit and mixed use properties), senior residential mortgages and property tax liens. The PPM designated Endeavor Partners as the Manager of Fund I and identified Slowey as the "sole controlling member" of Endeavor Partners. The offering period for Fund I was from approximately January 1, 2004 through October 30, 2004. Defendants continued thereafter to offer and sell Fund I securities to certain investors who opted not to receive monthly distributions but to reinvest the

distributions in additional Fund I securities. Further, defendants offered and sold Fund I securities to certain investors whose membership interests matured in 2006 and who decided to reinvest their membership interests rather than receive the return of the principal amount of their investments.

18. **Endeavor Real Estate Fund II, LLC** (“Fund II”) is a New York limited liability company established on September 22, 2004 with its principal place of business in Hauppauge, New York. According to its PPM dated October 1, 2004, Fund II offered up to \$5,000,000 in securities, including Class A 12% Membership Interests and Class B 9% Membership Interests. Identically to Fund I, Fund II purported, in its PPM, to be in the business of “purchasing, managing, servicing and sale or otherwise liquidation for a profit, of residential properties (including up to four (4) unit and mixed use properties), senior residential mortgages and property tax liens.” As with Fund I, the PPM of Fund II designated Endeavor Partners as the Manager of Fund II and identified Slowey as the “sole controlling member” of Endeavor Partners. The offering period for Fund II was from approximately October 1, 2004 through December 31, 2005. Defendants continued thereafter to offer and sell Fund II securities to certain investors, however, who opted not to receive monthly distributions but to reinvest the distributions in additional Fund II securities.

19. **Endeavor America Fund, LLC** (the “America Fund”) is a New York limited liability company established on August 29, 2005 with its principal place of business in Hauppauge, New York. According to its PPM dated September 1, 2005, the America Fund offered up to \$20,000,000 in securities, including Class A 12% Membership Interests, Class B

10% Membership Interests, and Class C 9% Membership Interests. The PPM of the America Fund designated Endeavor Capital as its Manager and identified Slowey as the managing member and Chief Executive Officer of Endeavor Capital. The America Fund purported, in its PPM, to be in the business of “purchasing, managing, servicing, selling, or liquidating residential properties and mixed use properties, including development of same, and purchasing, refinancing or foreclosing residential mortgages.” The offering period for the America Fund was from approximately September 1, 2005 at least through August 31, 2006.

20. **Windsor Lake Estates, LLC** (“Windsor Fund”), is a Florida limited liability company. According to its PPM dated January 1, 2006, the Windsor Fund offered up to \$8,500,000 of securities. The Windsor Fund purported, in its PPM, to be in contract to purchase a 160 acre site in Cape Coral, Florida, which it intended to develop into building sites with infrastructure, a clubhouse, and amenities and then sell the building sites or new homes to be built thereon. The PPM identified Windsor Lakes Management, LLC, a New York limited liability company, as its managing member, identified Slowey as the “founder and managing holder” of its managing member, identified Endeavor Capital as one of the managing member’s two members, and identified Slowey as Endeavor Capital’s managing member and Chief Executive Officer. The offering period for the Windsor Fund was from approximately January 1, 2006 at least through July 31, 2006.

21. **The Endeavor Companies** (“Endeavor”) is an unincorporated association through which Slowey, Endeavor Partners, and Endeavor Capital sometimes conducted the business of each of the Endeavor Funds, including the offering and sale of the securities of the

Endeavor Funds and communications with investors concerning the Endeavor Funds. For example, in a letter dated January 27, 2006, on letterhead stationery of "The Endeavor Companies," Slowey combined the investor capital, expenses, and net profit of Fund I and Fund II when describing the funds' performance. Slowey also stated that Endeavor had "published the Endeavor America Fund" to "mak[e] room for investors to participate in the profits of Endeavor."

22. The Membership Interests or other investment instruments, however denominated, that were sold to investors in each of the Endeavor Funds entailed an investment of money in a common enterprise whose profits depended solely upon the efforts of the promoter or a third party.

23. The offerings of securities in Fund I, Fund II, the America Fund, and the Windsor Fund (collectively, the "Endeavor Funds") were unregistered, that is, none of the Endeavor Funds filed a registration statement with the Commission with respect to any of the offers and sales of their securities, and there has been no registration statement otherwise in effect.

24. The offering materials for the Endeavor Funds did not include audited balance sheets or other audited financial statements.

25. The offerings of the securities of the Endeavor Funds operated as one integrated offering of securities.

FACTS

I. Puttick and APS Agree to Sell Endeavor Securities

26. Puttick, acting for APS, signed a selling agreement on or around January 1, 2004 whereby APS agreed to sell the securities of Fund I. The agreement provided that APS would

receive 7% of the amount invested and 3% in non-accountable expenses.

27. Puttick, acting for APS, signed a selling agreement dated November 8, 2004 agreeing to sell the securities of Fund II. The agreement provided that APS would receive 10% of the amount invested.

28. Puttick, acting for APS, signed a selling agreement dated September 23, 2005 whereby APS agreed to sell the securities of the America Fund. The agreement provided that APS would receive 10% of the amount invested.

29. APS's de facto chief operating officer, acting for APS, signed a selling agreement dated January 2, 2006 between APS and Windsor Lakes Management, LLC whereby APS agreed to sell the securities of the Windsor Fund. The agreement provided that APS would receive 10% of the amount invested.

II. Puttick Recruits Oldham, Harris, and Others to Sell Endeavor Funds Securities

30. In the period prior to the launch of Fund I but while in discussions with Puttick about APS's role in selling securities of the Endeavor Funds, Slowey introduced Puttick to a broker in Pensacola, Florida ("Broker A"). Puttick then retained Broker A as a registered representative of APS.

31. At a meeting among Slowey, Puttick, and Broker A, Broker A informed Puttick that he worked with other brokers, including Oldham, Harris, and brokers located in Florida and Ohio. Puttick then recruited Oldham, Harris, and the other brokers to sell the securities of the Endeavor Funds and otherwise to build APS's brokerage business. Puttick introduced Slowey to Oldham and Harris, identifying Slowey as someone Puttick had known for a long time who was

putting together a promising fund that Oldham and Harris could make available to their clients.

III. Slowey and the Management Companies Make Materially Misleading Statements and Fail to Disclose Material Information

32. In January 2005, Slowey, acting for Endeavor Partners, sent copies of a letter to the investors of Fund I claiming that, after less than one year of operation of Fund I, the collateralized value of Fund I's investments was 433% of the capital invested. The letter stated, "[w]hat this means is that if we sell the collateral to pay off the investors, we would receive approximately 433% of what we are obligated to pay to you. This state of the funds is strong." Slowey sent this letter, in part, to solicit investors to re-invest their dividends, rather than receiving a monthly dividend check.

33. The claim that the collateralized value of Fund I's investments was 433% of the capital invested was grossly inflated and false.

34. In another letter to investors, in January 2006, Slowey, acting for Endeavor Partners and the Endeavor Companies, stated that the Funds had made a \$538,000, or 50.6%, return on the sale of four properties, which, he said, "give[s] me confidence that our operating strategy is solid."

35. This claim was false because no four properties had been sold for a 50% return on the Funds' investment.

36. When the Funds began to have increasing financial difficulties, Slowey continued to make false statements to investors. For example, in mid-2006, Slowey told a senior-citizen investor in Florida that his investment was safe. In fact, by that time the Funds had little money left.

37. Slowey also told another senior-citizen investor in January 2007 that the Funds would recover by the following year. Slowey had no basis for making that statement.

38. In June, July, and November 2006, Slowey, acting for Endeavor Partners, asked investors to reinvest their maturing interest in the Endeavor Funds even though he knew that the Funds had lost substantial sums of money, and owned only a handful of properties worth far less than the \$10 million initially deposited by investors.

39. In or around December, 2006, Slowey, acting for Endeavor Partners and Endeavor Capital, informed investors that the Funds would suspend dividend payments.

IV. Slowey and the Management Companies Misappropriate Investor Funds

40. In 2006, Slowey frequently used the investor proceeds collected by one fund to pay the expenses of another fund. Slowey, acting for Endeavor Partners and Endeavor Capital, misappropriated proceeds invested in the America Fund and the Windsor Fund to pay the expenses of the ailing Fund I and Fund II. In particular, the PPMs for the America Fund and the Windsor Fund do not allow for the payment of expenses incurred by Fund I and Fund II. However, the America Fund and the Windsor Fund spent over \$500,000 of their combined \$1,950,000 in assets on expenses attributable to Funds I and II.

41. Slowey, acting for Endeavor Partners, charged over \$100,000 in management fees to Fund I and Fund II above the amount allowed in their PPMs.

42. Slowey, acting for Endeavor Partners, paid Broker A, who sold interests in Fund I in his capacity as head of sales of Endeavor Partners, over \$120,000 in commissions not permitted by Fund I's PPM -- which specifically stated that no compensation, but only reasonable expenses, would be paid to Endeavor Partners for such sales.

43. In May 2005, Slowey borrowed \$300,000 from Fund I and Fund II to purchase his personal residence, then valued at over \$1 million. The PPMs for Fund I and Fund II did not allow for Slowey to take personal loans from the funds. Although he repaid this money approximately 17 months later, he did not pay any interest or fees for the loan.

V. Puttick and APS Fail to Conduct Due Diligence on Slowey and the Endeavor Funds or to Resolve Numerous Red Flags

a. Failure to Conduct Due Diligence

44. As detailed below, Puttick failed to conduct more than token due diligence prior to causing APS's agents to recommend and otherwise solicit the purchase of interests in the Funds. He thereby violated the representation, implicitly made whenever a broker recommends an investment to a client, that the broker has made a reasonable investigation and has a reasonable basis for making the recommendation.

45. Puttick and APS's investigation into Slowey and his proposed business was inadequate in light of information that Puttick and APS possessed.

46. Prior to agreeing on behalf of APS to sell the securities of Fund I, Puttick ignored facts well known to him (but undisclosed to investors in the Endeavor Funds) showing that Slowey – who was identified in the PPMs as being largely if not entirely responsible for conducting the business of the Endeavor Funds – was an unsuccessful businessman, with past financial problems, whose proposed business plans warranted careful investigation.

47. For example, Puttick knew that Slowey had filed for personal bankruptcy and a business bankruptcy in or around 1989. Puttick also knew that Slowey was still subject, in 2003, to an unpaid tax lien of approximately \$40,000 filed by the IRS in or around 1986.

48. In addition, Puttick knew that Slowey had unsuccessfully worked as a registered representative at APS in the early 1990s.

49. Further, contrary to Slowey's claims of recent success in a CPA organization and the mortgage business, Slowey needed to borrow some \$40,000 for his personal living expenses from others, including Puttick, just prior to the launch of Fund I.

50. Despite these facts, Puttick's investigation of Fund I was limited to preparing a perfunctory, one-page due diligence form. This form, dated February 1, 2004, stated that Puttick had reviewed Fund I's PPM, investigated Slowey's background information, and obtained a list of potential properties that Fund I might invest in. Although the form indicated that "the economics appear to be strong," Puttick did little or nothing to analyze the likelihood that Slowey could succeed with the proposed business.

51. For example, Puttick did not examine how likely it was that Fund I would be able to pay its high dividend rates. Puttick also failed to inquire into the specifics of a business where the investors' participation on the upside was capped at 9 to 12 per cent, but their downside risk was unlimited, whereas Slowey, who had put up no money of his own, had unlimited upside potential and no downside risk.

52. Among other things, Puttick's due diligence would have revealed the lack of management controls at the Endeavor Funds or the Management Companies that might have prevented the misappropriation of investor funds by Slowey.

53. Puttick and APS did not conduct any due diligence at all concerning Fund II, the America Fund, or the Windsor Fund.

b. Failure to Resolve Numerous Red Flags

54. Beginning in late 2004 and continuing at least throughout the first half of 2005, Puttick failed to take steps to resolve a growing number of red flags concerning Slowey and the Endeavor Funds.

55. For example, Slowey claimed in January 2005 of a 433% increase in the collateral value of investments that could only have been purchased within the last year. This claim, made in a letter sent to Puttick and to investors, was false and, in fact, was so extravagant as to call into question Slowey's honesty and the operations of the Endeavor Funds.

56. Additionally, securities regulators of the State of Florida wrote Puttick in December 2004 regarding Broker A's sale of Endeavor securities at seminars and requesting information about Broker A and sales of Endeavor Fund securities.

57. As a result of the Florida investigation Puttick purportedly learned for the first time that Slowey had hired Broker A – an APS registered representative – as Endeavor's "Manager of Securities Sales" in February 2004 and that Broker A was selling Endeavor securities away from APS. Puttick ignored Slowey's duplicity in not informing Puttick about his employment of Broker A, whom Slowey knew to be Puttick's and APS's employee. Furthermore, Puttick continued to do business with Slowey, without significant investigation of his business, despite Puttick's own conclusion that Slowey was trying to "get around the securities laws" by hiring Broker A and deploying him to sell Endeavor Funds securities without the proper securities license.

58. Additionally, Slowey sent Puttick and others (including Oldham and Harris) an email on April 19, 2005, stating that, after consultation with new lawyers and auditors, it was

necessary “to effect a rescission offer using an amended confidential PPM to all present investors in the Funds. This is needed in order to provide complete and robust disclosure regarding their investment, including information relating to the Funds’ operation and affiliated. The plan is to do this as soon as possible after the audit of the Funds has been completed.” Puttick took no action in response to this email.

59. In July 2005, Slowey reversed course and informed Puttick that after further legal review Endeavor would not make the rescission offer. As a specific reason for not carrying out the rescission offer, Slowey asserted there had been no customer complaints. Puttick, however, had been informed by Florida regulators in February and again in April 2005 of complaints by at least two investors in Fund I.

60. As another reason for not making the planned rescission offer, Slowey asserted there had been “a very positive and healthy audit of both funds showing excellent performance.” In fact, the audited financial statements for Fund I and Fund II, dated May 26, 2005, should have raised a variety of concerns:

(a) According to the statements, Fund I lost \$226,000 in 2004 and \$79,000 in the first quarter of 2005, while Fund II lost \$44,000 in 2004 and \$111,000 in the first quarter of 2005 (in all cases, excluding commissions paid to registered representatives). At the same time, Fund I paid \$300,000 in distributions (dividends to investors) in 2004 and \$150,000 in the first quarter of 2005, while Fund II paid \$24,000 in distributions in 2004 and \$110,600 in the first quarter of 2005. These results should have called into question the sustainability of the

business model. Further, the apparent use of new investor money to pay distributions to existing investors was not a permitted use of proceeds under the PPMs of Fund I and Fund II.

(b) Similar to Slowey's claim of a 433% in collateral value of purchased properties, the balance sheets for Fund I and Fund II showed exorbitant, unexplained increases in the estimated market value of properties over their cost basis value.

(c) Although the PPMs stated that "Endeavor will set aside a reserve of six months of distribution payments to the Interests going forward which will be replenished prior to payment of Management Compensation," the financial statement for both Fund I and Fund II noted that the fund had failed, as of March 31, 2005, to maintain such a reserve account. The financial statements similarly noted that the funds had failed to set aside a second cash reserve intended, according to the PPMs, "to use in curing any acute distress arising during the servicing of Endeavor's Collateral." The auditor reports stated, without further explanation, that "Management intends to comply with this requirement immediately." Further, the audited financial statements indicate that management fees of approximately \$30,000 for each fund were paid during the first quarter of 2005, contrary to the promised priority of the cash reserves over management compensation.

61. Despite these multiple red flags, shortly afterwards, in September 2005, Puttick

signed the selling agreement for APS to sell America Fund securities and APS's chief operating officer signed the selling agreement for the Windsor Fund. At least by that time, Puttick and APS should have had serious doubts as to the viability of the Endeavor Funds and Slowey's competence and probity. The failure of Puttick and APS to conduct appropriate due diligence prior to making a recommendation of a security violated the duty of a broker-dealer to its clients and constituted fraud.

62. Moreover, Puttick and APS fraudulently failed to disclose to investors who subsequently purchased securities of the Endeavor Funds through APS that APS had failed to conduct due diligence into the Endeavor Funds generally or to investigate and resolve the red flags in particular.

63. Finally, Puttick and APS recklessly violated the requirements in APS's own compliance manual. The APS manual states: "Before any securities are offered by [APS] in a private placement, a Manager will conduct, or cause to be conducted, the same kind of 'due diligence' investigation that would be required in connection with a registered public offering of securities. Depending on the nature of the issuer and the offering, [APS] may retain or use the services of qualified experts (such as engineers, architects, legal counsel, and accountants) to assist it in conducting the due-diligence industry inquiry." Puttick did not conduct or cause to be conducted any such due diligence with respect to the Endeavor Funds securities. Further, the APS compliance manual required Puttick to obtain the advice of counsel prior to authorizing registered representatives to sell interests in private placements. Puttick did not obtain the required advice from counsel stating that the Funds satisfied the requirements of Regulation D to be exempt from registration under Section 5 of the Securities Act.

VI. Oldham and Harris Sell Endeavor Securities, Including Sales to Unaccredited and Unsophisticated Investors

64. Oldham, Harris, and OHI solicited investors by means of invitations to free lunch or dinner “seminars” at restaurants. On several occasions, Slowey joined Oldham and Harris at gatherings of potential investors to help them make sales of Endeavor Securities. At the seminars and/or in meetings at the OHI office scheduled shortly thereafter, Oldham, Harris, and OHI offered the securities of Endeavor Funds to prospective investors and sold securities of the Endeavor Funds to numerous offerees. Some of the investors in the securities of the Endeavor Funds had no previous investor relationship with Oldham, Harris, or OHI.

65. Many of the investors were of limited means and did not meet the definition of “accredited investor” under the securities laws.

66. Few of the investors to whom Oldham, Harris, and OHI sold Endeavor Securities had previously invested in private placement securities or securities based on distressed or subprime mortgages.

67. In addition, many of the investors had backgrounds, such as factory work, restaurant work, or school teaching, that were not likely to afford an understanding of the merits and risks of investments in distressed mortgages and other real-estate strategies. A number of the investors demonstrated their lack of sophistication by investing, through Oldham, Harris, and OHI, an unreasonably large percentage of their retirement savings or net worth in the risky Endeavor Funds securities.

68. Oldham and Harris, working as a team and as partners at OHI, sold Fund I securities to approximately 21 investors between approximately March 26, 2004 and October 29,

2004, raising approximately \$2.3 million. APS paid OHI commissions and non-accountable expenses of approximately \$230,000. As Membership Interests in Fund I matured during 2006, and at least as late as December 6, 2006, Oldham, Harris, and OHI (together with Slowey and the Management Companies) sold renewals of the investments to certain investors.

69. Oldham and Harris, working as a team and as partners at OHI, sold Fund II securities to approximately 29 investors between approximately October 2004 and April 2005, raising approximately \$3.2 million dollars. APS paid OHI commissions and non-accountable expenses of approximately \$323,000.

70. Oldham and Harris, working as a team and as partners at OHI, sold America Fund securities to approximately 6 investors between approximately January 2006 and June 2006, raising approximately \$860,000. APS paid OHI commissions and non-accountable expenses of approximately \$86,000.

71. Oldham and Harris, working as a team and as partners at OHI, sold Windsor Fund securities to approximately 4 investors between approximately January 2006 and August 2006, raising approximately \$200,000. APS paid OHI commissions and non-accountable expenses of approximately \$20,000.

72. Oldham, Harris, and OHI caused the investors in Endeavor Funds securities to open accounts with APS, helped complete APS new account documents for the investors (at least some of which were signed by Puttick), and instructed the investors to send funds to the address in New York designated in the PPMs of the respective funds.

VII. Broker A Sells Endeavor Securities, Including Sales to Unaccredited and Unsophisticated Investors

73. Broker A, while a registered representative at APS and simultaneously a vice president at Endeavor Partners, sold securities of the Endeavor Funds to approximately 17 investors.

74. Like Oldham and Harris, Broker A operated a retirement advisory business. Like Oldham and Harris, Broker A solicited investors by means of invitations to a free lunch or dinner “seminar” at which he discussed retirement planning and investments. At the seminar and/or in meetings at the Broker A’s office scheduled shortly thereafter, Broker A offered the securities of Endeavor Funds to prospective investors and sold securities of the Endeavor Funds to offerees. Many of the persons who invested in securities of the Endeavor Funds through Broker A were unsophisticated investors. Some of the investors in the securities of the Endeavor Funds had no previous business relationship with Broker A. On several occasions, Slowey joined Broker A at gatherings of potential investors to help him make sales of Endeavor Securities.

FIRST CLAIM FOR RELIEF

**Violations of Section 17(a) of the Securities Act and Section 10(b)
of the Exchange Act and Rule 10b-5 Thereunder
(Against Slowey and the Management Companies)**

75. The Commission repeats and realleges each and every allegation contained in paragraphs 1 through 75, as though fully set forth herein.

76. Slowey and the Management Companies, directly and indirectly, singly and in concert, by use of the means or instruments of transportation or communication in interstate

commerce, or of the mails, in the offer or sale, and in connection with the purchase or sale, of securities of the Endeavor Funds, have: (a) employed devices, schemes and artifices to defraud; (b) obtained money or property by means of, and otherwise made, untrue statements of material fact, or 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, transactions and courses of business which operated as a fraud or deceit upon the purchasers of the securities of the Endeavor Funds, and upon other persons.

77. As part of, and in furtherance of the violative conduct, as described above, Slowey material misrepresentations, and failed to disclose material information, to investors in the Endeavor Funds, and misappropriated investor funds for his own and others' use.

78. Slowey and the Management Companies acted knowingly and/or recklessly.

79. By reason of the foregoing, Slowey and the Management Companies have violated, and unless enjoined, will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

SECOND CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Against Puttick and APS)

80. The Commission repeats and realleges each and every allegation contained in paragraphs 1 through 80, as though fully set forth herein.

81. Puttick and APS, directly and indirectly, singly and in concert, by use of the

means or instruments of transportation or communication in interstate commerce, or of the mails, in the offer or sale, and in connection with the purchase or sale, of securities of the Endeavor Funds, have: (a) employed devices, schemes and artifices to defraud; (b) obtained money or property by means of, and otherwise made, untrue statements of material fact, or 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, transactions and courses of business which operated as a fraud or deceit upon the purchasers of the securities of the Endeavor Funds, and upon other persons.

82. As part of, and in furtherance of the violative conduct, as described above, Puttick and APS caused APS and its registered representatives to offer and sell securities of the Endeavor Funds without having conducted sufficient due diligence and investigation into the Endeavor Funds so as to fulfill their implicit representation to investors that APS and its agents had an adequate basis for the recommendation to investors that they purchase the securities.

83. Puttick and APS acted knowingly and/or recklessly, by ignoring facts known or learned about Slowey and the Endeavor Funds, as alleged above, that called into question whether the Endeavor Funds were being operated in a competent or honest manner.

84. By reason of the foregoing, Puttick and APS have violated, and unless enjoined, Puttick will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], 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].

THIRD CLAIM FOR RELIEF

Violations of Sections 5(a) and 5(c) of the Securities Act (Against all Defendants)

85. The Commission realleges and incorporates paragraphs 1 through 85 by reference as though fully set forth herein.

86. Slowey, the Management Companies, Puttick, APS, Oldham, Harris, and OHI, (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise; or carried securities or caused such securities to be carried through the mails or in interstate commerce, by means or instruments of transportation, for the purpose of sale or for delivery after sale, without a registration statement having been filed with the Commission or being in effect as to such securities; and (b) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of any prospectus or otherwise, securities without a registration statement having been filed with the Commission or being in effect as to such securities.

87. By reason of the foregoing, Slowey, the Management Companies, Puttick, APS, Oldham, Harris, and OHI have violated, and unless enjoined, Slowey, the Management Companies, Oldham, Harris, and OHI will continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)].

RELIEF SOUGHT

WHEREFORE, the Commission respectfully requests that this Court enter a Final Judgment:

I.

Permanently restraining and enjoining Slowey, the Management Companies, and Puttick from, directly or indirectly, singly or in concert, violating Sections 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and 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];

II.

Permanently restraining and enjoining each of the Defendants, their officer, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)];

III.

Ordering the Defendants, jointly and severally, to disgorge, with prejudgment interest, all ill-gotten gains, derived directly or indirectly, from the violative conduct alleged in this Complaint;

IV.

Ordering Slowey, the Management Companies, Puttick, and APS, to pay civil money 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)];

V.

Ordering Oldham, Harris, and OHI to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]; and

VI.

Granting such other and further relief as the Court may deem just and proper.

Dated: October 22, 2009
New York, New York

Respectfully submitted,



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