

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009016318001**

RECEIVED
2009 APR -9 A 7:05
REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Windham Securities, Inc.
[BD No. 20529]

Joshua Constantin,
General Securities Principal, General Securities Representative
[CRD No. 3221893]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondents Windham Securities, Inc. ("Windham") and Joshua Constantin ("Constantin") (collectively, the "Respondents") submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondents alleging violations based on the same factual findings described herein.

L

ACCEPTANCE AND CONSENT

- A. Respondents hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Windham has been a member of FINRA since December 1987. In or around October 2005, Constantin acquired ownership of Windham. According to FINRA's Central Registration Depository ("CRD"), the firm's main office is located in New York, New York and it operates a branch office out of Huntington, New York.

Constantin first became registered with FINRA as a General Securities Representative ("GSR") in or around August 14, 1999 through a prior member firm. On December 3, 2002, Constantin became registered as a GSR and General Securities Principal ("GSP") through another member firm. Since November 22, 2004, Constantin has been registered

000014100 2009

as a GSR and a GSP with Windham. Since at least July 2005, Constantin has been the Chief Executive Officer and President of Windham.

RELEVANT DISCIPLINARY HISTORY

On December 5, 2007, Windham entered into an AWC with FINRA for failing to timely file an application with FINRA for approval of a change in ownership or control in violation of NASD Rules 1017 and 2110. Windham agreed to a censure and a fine of \$6,500.

On March 2, 2006, Windham's registration in the State of Maryland was revoked for failing to register an agent with the state's Division of Securities.

Constantin does not have any prior disciplinary history.

OVERVIEW

On March 30, 2009, Windham and Constantin refused to allow FINRA staff to enter the firm's Long Island, New York branch office to examine the firm's books and records and to otherwise conduct an on-site examination. In addition, during the period August 2008 through the present, Windham and Constantin failed to respond to numerous requests for information sent pursuant to NASD Procedural Rule 8210 or FINRA Procedural Rule 8210. In addition, Windham, acting through Constantin, failed to maintain, preserve and produce numerous books and records relating to Windham's business. This conduct violated NASD Procedural Rule 8210, FINRA Procedural Rule 8210, NASD Conduct Rules 2110 and 3110, FINRA Conduct Rule 2010 and SEC Rules 17a-3 and 17a-4.

FACTS AND VIOLATIVE CONDUCT

1. Denial of Inspection

On March 30, 2009, FINRA commenced an unannounced routine examination of Windham. For purposes of that examination, FINRA's staff appeared simultaneously at Windham's two active offices as reflected on CRD: the firm's main office in New York City and its branch office in Huntington, New York. In connection with the examination, FINRA's staff provided Constantin and Windham with an Initial Records Request pursuant to FINRA Procedural Rule 8210 seeking 39 categories of books and records relating to Windham's business, and immediate access to all of Windham's books and records. Constantin and Windham failed to provide the staff with numerous categories of documents sought in the Initial Records Request. Constantin and Windham also refused to provide the staff with access to its Huntington branch office, any of the desktop computers contained in that office, or any other documentation contained in that office, other than a laptop contained in Constantin's car. Windham and Constantin acknowledged that they were doing so in contravention of FINRA Procedural Rule 8210 and SEC Rules 17a-3 and

17a-4 and NASD Conduct Rule 3110. Constantin and Windham further advised FINRA's staff that all of Windham's books and records were located at Windham's main office in New York City. However, when FINRA's staff was finally provided with access to Windham's main office in New York City, they found that there were no books and records whatsoever at that location.

By failing to allow FINRA's staff to enter the firm's Huntington branch office to examine the firm's books and records and to otherwise conduct an on-site examination, Constantin and Windham violated FINRA Procedural Rule 8210 and FINRA Conduct Rule 2010.

2. Failure to Respond

In connection with two other FINRA examinations conducted in 2008, by letters dated August 14, 2008, August 29, 2008, September 23, 2008, November 19, 2008, December 30, 2008, January 5, 2009 and January 26, 2009, FINRA staff requested, pursuant to NASD Procedural Rule 8210 or FINRA Procedural Rule 8210, documents and information in writing from Constantin and Windham concerning: personal brokerage accounts; bank accounts; wire transfers; customer complaints; electronic communications; telephone records; consulting agreements and services; private offerings of unregistered securities; outside business activities; and Windham's supervisory procedures. Despite written representations that all responsive documents and information would be produced, Constantin and Windham failed to provide documents and information in their possession or control responsive to numerous Rule 8210 requests contained in the letters mentioned above. As a result, Constantin and Windham failed to respond to the Rule 8210 requests.

By failing to respond to the Rule 8210 requests, Constantin and Windham violated NASD Procedural Rule 8210, NASD Conduct Rule 2110, FINRA Procedural Rule 8210, and FINRA Conduct Rule 2010.

3. Failure to Maintain and Preserve Books and Records

Windham, acting through Constantin, also failed to maintain and preserve numerous books and records that Windham is required to make and preserve pursuant to SEC Rules 17a-3 and 17a-4 and NASD Conduct Rule 3110. Specifically, in connection with an unannounced routine examination of Windham, on March 30, 2009, FINRA's staff provided Windham and Constantin with an Initial Records Request pursuant to FINRA Procedural Rule 8210 seeking 39 categories of books and records relating to Windham's business that Windham is required to make and preserve pursuant to SEC Rules 17a-3 and 17a-4 and NASD Conduct Rule 3110, and immediate access to all of Windham's books and records. Windham and Constantin advised FINRA's staff that, aside from a laptop computer maintained in Constantin's car which was produced to the staff for inspection, all of Windham's books and records were located at Windham's main office in New York City. Windham and Constantin then provided FINRA's staff with access to the New York City office. Upon being granted such access, FINRA's staff found that there were no books and records whatsoever at that location despite Windham's and Constantin's

representations to the contrary. To date, Windham and Constantin have not established the existence of the vast majority of the books and records that Windham is required to make and preserve.

By reason of the foregoing, Windham violated NASD Conduct Rule 3110, FINRA Conduct Rule 2010, and SEC Rules 17a-3 and 17a-4. Constantin caused the violations of the aforementioned rules by Windham and consequently violated NASD Conduct Rule 3110 and FINRA Conduct Rule 2010.

B. Respondents also consent to the imposition of the following sanctions:

1. Windham shall be expelled from FINRA membership.
2. Constantin shall be barred from associating with any FINRA member in any capacity.

Constantin understands that if he is barred or suspended from associating with any FINRA member, he become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against them;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and



- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondents specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondents further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondents understand that:

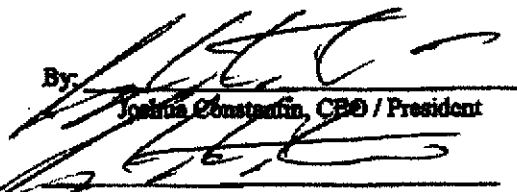
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondents; and
- C. If accepted:
 - 1. this AWC will become part of Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondents;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondents' disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and

4. Respondents may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondents may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondents' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Constantin certifies that he has read, and, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondents have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce Respondents to submit it.

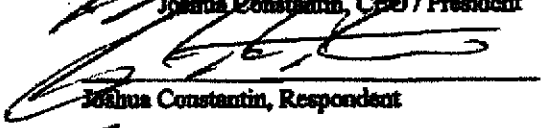
04-07-2009
Date

Windham Securities, Inc., Respondent

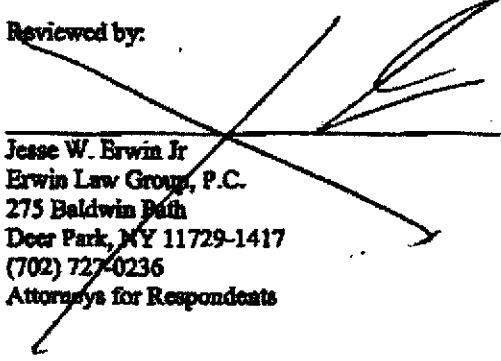
By: 

Joshua Constantin, CEO / President

04-07-2009
Date


Joshua Constantin, Respondent

Reviewed by:


Jesse W. Erwin Jr.
Erwin Law Group, P.C.
275 Baldwin Path
Deer Park, NY 11729-1417
(702) 727-0236
Attorneys for Respondents



Accepted by FINRA:

4/8/2009
Date

Signed on behalf of the
Director of ODA, by delegated authority



Samuel L. Barkin
Senior Regional Counsel
FINRA, District 10
Two Jericho Plaza, 2nd Floor
Jericho, NY 11753
(516) 949-4217
(202) 721-6573 (direct fax)

