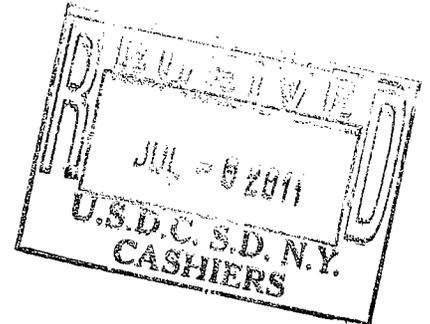


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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JOSHUA CONSTANTIN, BRIAN SOLOMON,  
and WINDHAM SECURITIES, INC.,

Defendants,

and

CONSTANTIN RESOURCE GROUP, INC. and  
DOMESTIC APPLICATIONS CORP.,

Relief Defendants.

11 CV ( )  
ECF CASE

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission"), for its Complaint against Defendants Joshua Constantin ("Constantin"), Brian Solomon ("Solomon"), and Windham Securities, Inc. ("Windham") (collectively, "Defendants"), and against Relief Defendants Constantin Resource Group, Inc. ("Constantin Resource") and Domestic Applications Corp. ("DAC") (collectively, "Relief Defendants"), alleges as follows:

## SUMMARY OF ALLEGATIONS

1. This action involves a fraudulent investment scheme, orchestrated by the Defendants, that obtained over \$1.25 million from seven investors. Instead of using the investors' money as promised, the Defendants misappropriated almost all of the investors' funds for their own use.

2. From at least May 2008 through March 2009 (the "Relevant Period"), Constantin and Solomon fraudulently solicited investors and induced them to provide funds for securities investments and fees to Windham, a registered broker-dealer owned and controlled by Constantin, by making material misrepresentations and omissions concerning the intended use of the investors' funds as well as Windham's investment expertise and historical returns.

3. Defendants falsely claimed that Windham was purchasing securities for the investors in a private company, Leeward Group, Inc. ("Leeward"), which the Defendants claimed would soon become a publicly traded company with Windham's assistance. Instead of purchasing Leeward securities for the investors, Defendants misappropriated all of the investors' funds. Constantin transferred approximately \$668,000 of the investor funds to his personal bank account and an account of Constantin Resource, an entity he wholly owned and controlled. Constantin used these funds to pay his personal and business expenses and to pay Solomon, among other things. Constantin further misappropriated approximately \$450,000 of the investor funds to purchase Leeward securities in the name of DAC, an entity Constantin controlled and in which none of the seven investors held any ownership interest.

4. Constantin and Solomon perpetrated and concealed their fraud by fabricating and issuing to certain investors phony promissory notes and Windham account statements that falsely showed the investors had purchased Leeward securities.

5. Defendants also fraudulently induced certain investors to pay at least \$135,000 in fees to Defendants purportedly for access to Windham's investment opportunities and/or other related investment services. Defendants' fraudulent tactics included a wide range of outlandish misrepresentations about their purported exceptional investment returns.

### VIOLATIONS

6. By virtue of the foregoing conduct and as alleged further herein, Defendants Windham, Constantin, and Solomon, singly or in concert, directly or indirectly, violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 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]. By virtue of his conduct and as alleged herein, Defendant Constantin is also liable (i) pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)], as a control person for Defendant Windham's violations of 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]; and (ii) pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)], for aiding and abetting Defendants Windham's and Solomon's violations of 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].

7. Unless Defendants are permanently restrained and enjoined, they each will again engage in the acts, practices, and courses of business set forth in this Complaint, or in acts and transactions of similar type and object.

## JURISDICTION AND VENUE

8. The Commission brings this action pursuant to the authority conferred by Section 20 of the Securities Act [15 U.S.C. § 77t] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. The Commission seeks a final judgment (i) permanently restraining and enjoining Defendants from violating 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]; (ii) ordering Defendants and Relief Defendants to disgorge, with prejudgment interest thereon, all ill-gotten gains; and (iii) imposing civil money penalties on Defendants 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)].

9. This Court has jurisdiction over this action 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]. Defendants, either directly or indirectly, singly or in concert, have made use of the means or instrumentalities of interstate commerce, of the mails, the facilities of national securities exchanges, and/or the means or instruments of transportation or communication in interstate commerce in connection with the acts, practices, and courses of business alleged herein.

10. Venue lies in the Southern District of New York, 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]. Defendant Windham is located in New York, New York. During the Relevant Period, Defendants transacted business in New York, New York and represented to certain Windham customers that Windham operated from an office location in New York, New York. Constantin and Solomon also met with certain investors in New York, New York to discuss Leeward.

## FACTS

### Defendants

11. **Windham** was formed as a Delaware corporation in 1987. Windham is registered as a broker-dealer with the Commission with its last listed main office address in New York, New York. Windham was registered with the Financial Industry Regulatory Authority (“FINRA”) until April 8, 2009, when FINRA expelled Windham from its membership for failing to allow FINRA staff to examine its books and records, among other things. Constantin wholly owns Constantin Resource, which in turn wholly owns Windham.

12. **Constantin**, age 34, resides in Huntington, New York. At all relevant times, Constantin directed Windham’s operations and served as the chief executive officer, president, and chief compliance officer of Windham. In April 2009, FINRA permanently barred Constantin from associating with any FINRA member firm.

13. **Solomon**, age 37, resides in Los Angeles, California. Windham employed Solomon as a registered representative with the title “Managing Director” from at least July 2007 to December 2008.

### Relief Defendants

14. **Constantin Resource** is a corporation formed in New York with its principal place of business in Huntington, New York. Constantin wholly owns Constantin Resource.

15. **DAC** is a corporation formed in Florida with its principal place of business in Miami, Florida. Constantin controls DAC. At various times, DAC has been known as, or done business as, Data Application Corp. and/or Digital Applications Corp.

### **Other Relevant Entity**

16. **Leeward** is a Delaware corporation formed in June 2008 with its principal place of business in Pennington, New Jersey. When formed, it purportedly operated as a retail insurance agency. Leeward is currently a subsidiary of Leeward Group Holdings, Inc. (“LGHI”) as a result of a reverse merger that closed on or about May 28, 2010, in which Leeward is the surviving operating entity. LGHI is a Nevada corporation, formerly known as Principle Security International, Inc., with its current principal place of business in Pennington, New Jersey. LGHI, acting through Leeward, purports to be a full-service insurance agency and consulting firm serving commercial and residential clients. LGHI’s stock is currently quoted on the OTC marketplace operated by OTC Markets Group Inc. (formerly known as Pink OTC Markets, Inc., or the “Pink Sheets”) as “PCPZ” under the market tier “OTCQB.”

### **Background**

17. In approximately November 2004, Constantin became a registered representative for Windham. Constantin subsequently purchased Windham through Constantin Resource. In approximately July 2005, Constantin became Windham’s chief executive officer, president, and chief compliance officer.

18. In approximately July 2007, Constantin hired Solomon as a registered representative of Windham. Solomon represented that he was “Managing Director” of Windham, including on business cards that Constantin authorized and approved. Between January 2008 and April 2009, Windham employed fewer than five registered representatives, including Constantin and Solomon.

19. From the time Constantin purchased Windham through April 2009, Windham's primary business with its retail broker-dealer customers was the sale of private placement investments in development stage companies. During this period, Windham did not possess or maintain sufficient net capital to hold customer funds or securities in accordance with the net capital requirements of Exchange Act Rule 15c3-1(a)(2) [17 C.F.R. § 240.15c3-1(a)(2)]. Windham therefore represented itself publicly and to its regulators as a so-called "\$5,000 broker-dealer," a broker-dealer that was not required to hold more than \$5,000 in net capital as long as it did not hold customer funds or securities. Typically, such broker-dealers have customer funds and securities held in the custody of a clearing broker.

#### **The Fraud**

20. During the Relevant Period, Defendants fraudulently induced prospective and existing customers to open brokerage accounts with Windham, make securities investments that Defendants recommended, including in Leeward, and pay Defendants fees to access purportedly exclusive investment opportunities.

##### **A. *Investor A***

21. Constantin and Solomon, acting on Windham's behalf, solicited and obtained approximately \$314,852 for investment in Leeward securities and \$35,000 in other investment-related fees from an investor ("Investor A") by falsely representing that Windham would purchase Leeward securities on Investor A's behalf, by materially misrepresenting Windham's past investment experience and performance, and by concealing that the Defendants were misappropriating Investor A's funds for their own use.

22. On June 4, 2008, Solomon sent an email to Investor A to fraudulently induce him to invest in securities through Windham by misrepresenting Windham's investment expertise and historical returns. Solomon wrote:

We have opened an account for you here at Windham Securities to take advantage of trading opportunities within our investment banking division.

As an example of our track record, please review the following IPO's [sic] that over the past year we have participated in the syndicates. Recall that we are in and out of these within months. Looking at these shows you that what we do is tangible (tangible = transactions with results you can verify).

HCCI – IPO \$11.50 TODAY \$15.23  
TYM – IPO \$3.91 TODAY \$4.72  
WATG – IPO \$3.88 TODAY \$8.50  
SDTH – IPO \$5.00 TODAY \$7.95  
KMGB – From \$11.96 TODAY \$10.16  
DXPE – From \$30.87 TODAY \$42.85

Solomon obtained this list of purported Windham IPO (initial public offering) transactions from Constantin.

23. In fact, Windham had not participated in these or any other IPOs or otherwise achieved these gains for investors, as Solomon and Constantin knew.

24. On approximately July 3, 2008, Constantin, on behalf of Windham, opened a business checking account at a bank with the account title "Windham Securities, Inc. Special Purpose Escrow-Leeward" (the "Bank Account"). Despite its name, the Bank Account had neither an escrow agreement nor an escrow agent. Constantin was the sole authorized signatory on the Bank Account. The Defendants' use of the Bank Account to hold and exercise control over customer funds, as described herein, was in direct contradiction to Windham's representations to the public and its regulators that it did not hold any customer funds.

25. Several weeks later, on August 27, 2008, Solomon sent another email to Investor A. Solomon wrote: "If you are ready to open an account and make a deposit, I will apply your deposit to the next transaction for a fast profitable return." In response to an email from Investor A the following day inquiring about "current proposals for an investment program," Solomon replied to Investor A:

I have tried three times to reach you by telephone with no success. Therefore I will explain the current options for trading programs with our firm. They include and [sic] another new stock market release. The last one rose 52% since June. Another option includes a new bond release that will be at a discount to face marketable at par. Obviously we make the markets for these issues.

26. Solomon's statements were materially false. As Solomon knew or recklessly disregarded, he had no basis to claim that the "next transaction" he referred to would generate "a fast profitable return," that Windham had participated in a new stock market release that rose 52 percent since June, or that Windham "make[s]" or would "make the markets" for these issues.

27. In one or more subsequent phone conversations with Investor A, Solomon proposed and recommended that Investor A invest in Leeward, a company whose securities Solomon represented would soon begin publicly trading. Solomon represented to Investor A that in return for his investment in Leeward, Investor A would receive an ownership interest in Leeward convertible to stock once it began trading publicly. Solomon also made explicit and/or implicit representations to Investor A that the investment would achieve in excess of 80 percent growth within a few months.

28. On approximately August 29, 2008, Investor A initiated a wire transfer of \$250,000 to fund his Windham brokerage account, held at Windham's clearing broker. On approximately September 2, 2008, Windham's clearing broker posted the wire transfer to

Investor A's account. Investor A understood, based on statements by Solomon, that Windham would invest the funds, less any fees Windham itself charged, in Leeward on behalf of Investor A.

29. Approximately two weeks later, Investor A wired an additional \$100,000 to his Windham brokerage account, posted on September 17, 2008, in order to invest in Leeward at Solomon's recommendation and to pay 10 percent, or \$10,000, in fees to Windham related to the investment.

30. On approximately September 3 and 19, 2008, Constantin initiated wire transfers of \$25,000 and \$10,000, respectively, from Investor A's brokerage account, held at the clearing broker, to Windham. On September 4, 2008, Constantin directed half of the first transfer, \$12,500, to be wired directly to Solomon.

31. On approximately September 5 and 25, 2008, Constantin initiated wire transfers of all of the remaining funds in Investor A's brokerage account held at the clearing broker – \$224,926.94 and \$89,925.00, respectively – to the Bank Account.

32. On September 5, 2008, Windham's clearing broker sent Constantin an email asking why Windham was transferring out all of the funds from Investor A's account so soon after Investor A had deposited those funds. In an emailed response that day, Constantin falsely represented to Windham's clearing broker that Investor A was "buying securities direct from the company, and they will be delivering back stock." Constantin knew that the funds were being wired to a bank account that he controlled, not to an escrow or other account for the purchase of securities directly from Leeward, and that no such stock would be delivered.

33. Instead of directing Investor A's funds for investment in Leeward as he and Solomon had represented, Constantin initiated wire transfers from the Bank Account to divert those funds for his own benefit. On September 8, 2008, Constantin initiated a wire transfer of \$200,000 from the Bank Account to Leeward as part of a \$450,000 purchase agreement on DAC's behalf in which DAC – not Investor A – received 1.5 million Leeward shares, an equivalent of 30 cents per share. Between September 16 and 29, 2008, Constantin initiated wire transfers totaling approximately \$181,000 – virtually all of the then-remaining funds in the Bank Account, including Investor A's and other investors' funds – to Constantin Resource.

34. Constantin and Solomon, on Windham's behalf, repeatedly gave false assurances to Investor A concerning Investor A's purported investment in Leeward, including during a meeting held in New York, New York in approximately December 2008.

35. On January 6, 2010, Constantin received an email from a senior Leeward officer about Leeward's growth prospects. According to the Leeward officer, Leeward, once consolidated with DAC, would have "a valuation from a private transaction basis" of \$6 to \$7 million. The email also noted that Leeward had three opportunities for acquiring businesses that, if completed, would bring a total of \$17 to \$20 million in sales and \$1.9 to \$2.1 million in revenue or gross profit to Leeward.

36. Less than two weeks later, Constantin misrepresented Leeward's valuation and profit projections to Investor A. On January 18, 2010, Constantin sent Investor A an email stating that Leeward would have a "valuation from a private transaction basis" of \$39 to \$57 million – more than six times the valuation provided by the Leeward officer. Constantin also told Investor A that Leeward had nine opportunities for acquiring businesses that, if completed,

would bring a total of \$170 to \$200 million in sales and \$19 to \$21 million in gross profit – ten times more than the Leeward senior officer had told Constantin was anticipated. Constantin’s email to Investor A was false and misleading, which Constantin knew, not only because of the gross exaggeration of Leeward’s valuation and future growth prospects but also because the email falsely reassured Investor A that Investor A held an investment in Leeward.

37. The same day, in response to Constantin’s email, Investor A asked Constantin to send him written documentation of his Leeward investment.

38. Constantin fabricated a fictitious convertible promissory note purportedly issued by Leeward to Investor A. On February 23, 2010, Constantin sent the fictitious note to Investor A. The note appeared to “automatically convert[]” into Leeward equity securities at the closing of a public listing in which Leeward issued equity securities of \$1 million or more. Constantin falsely represented to Investor A in an email attaching the note that it was “a certified copy of [Investor A’s] promissory note.” In fact, Leeward had not authorized or issued any promissory note to Investor A, as Constantin knew.

39. Constantin and Solomon each knew, or recklessly disregarded, that they obtained Investor A’s funds, including the fees Investor A paid, through material misrepresentations and omissions about Windham’s purported exceptional past and future investment returns; investment expertise, investment services offered, and the use of the funds.

**B. *Investor B***

40. Constantin and Solomon, acting on Windham’s behalf, similarly solicited and fraudulently obtained approximately \$760,000 from another investor (“Investor B”) by materially misrepresenting Windham’s past and future investment performance, by

misrepresenting that Windham would purchase Leeward securities on Investor B's behalf, and by concealing that they were instead misappropriating Investor B's funds for their own use.

41. In approximately May 2008, Solomon represented to Investor B that Windham would earn Investor B a 200% return within approximately six months or less. Solomon knew, or recklessly disregarded, that he had no basis to offer such an extraordinary return in such a short amount of time.

42. On approximately June 5, 2008, Investor B funded a Windham brokerage account by depositing \$1,000,000 at Windham's clearing broker. Investor B provided this money to Windham based on Solomon's false representations that Windham would use those funds to purchase securities on Investor B's behalf. During approximately the summer of 2008, Solomon and/or Constantin represented to Investor B that ten percent of the total \$1,000,000 deposit, or \$100,000, would be paid to Windham as a fee and that \$660,000 of the total \$1,000,000 deposit would be (or had been) used to purchase Leeward securities for Investor B's account.

43. On June 8, 2008, Constantin initiated a wire transfer of \$100,000, or 10 percent of the funds in Investor B's Windham brokerage account, from Investor B's brokerage account, held at the clearing broker, to Solomon's personal bank account. On June 9, 2008, Solomon wired half of that amount – \$50,000 – to Windham.

44. On July 7 and 22, 2008, Constantin initiated wire transfers of \$600,000 and \$60,000, respectively, from Investor B's brokerage account, held at the clearing broker, to the Bank Account. Instead of directing Investor B's \$660,000 for investment in Leeward, as Defendants represented to Investor B, Constantin misappropriated Investor B's funds from the Bank Account.

45. Between July 8 and July 24, 2008, when Investor B's funds were the only funds in the Bank Account, Constantin transferred Investor B's \$660,000 out of the Bank Account. Constantin transferred \$409,000 of Investor B's funds from the Bank Account to Constantin Resource. Constantin also transferred \$250,000 of Investor B's funds to Leeward as part of the \$450,000 purchase agreement on behalf of DAC under which DAC – not Investor B – received 1.5 million Leeward shares, at approximately 30 cents per share.

46. On August 14, 2008, Solomon sent a false confirming email to Investor B. Solomon wrote that Investor B had a "position" in Leeward but that the "stock is not showing in [Investor B's] account yet." Solomon further explained in the email that "[a]s was the case with [a penny stock previously purchased for Investor B's account], it takes some time for the new stock to settle in the account." Solomon knew, or recklessly disregarded, that Windham had not in fact purchased any Leeward stock for Investor B.

47. On approximately August 20, 2008, Investor B complained that he had not been receiving monthly account statements for his Windham account.

48. On August 22, 2008, Solomon sent an email to Investor B in which he attached a purported account statement for the period August 1 to 20, 2008. In fact, Solomon and Constantin together fabricated this false account statement to conceal the Defendants' fraud from Investor B. The false account statement, on Windham letterhead with a purported Windham seal, represented that Investor B's Windham brokerage account held a "Leeward Corp Pre-IPO Promissory Note" in a quantity of 660,000 valued at a purchase price of \$1.00 per share for a "Current Value" of \$660,000. This purported holding was listed under the category "Equities."

In fact, as Solomon and Constantin knew or recklessly disregarded, Investor B held no Leeward promissory note or shares in any brokerage account or otherwise.

49. Solomon continued to email Investor B false monthly account statements for September, October, and a portion of November 2008 that continued to falsely represent that Investor B's Windham brokerage account held securities in Leeward.

50. Constantin and Solomon each knew, or recklessly disregarded, that they obtained Investor B's funds, including the fees Investor B paid Windham, through material misrepresentations and omissions about Windham's purported exceptional investment returns, investment expertise and/or investment services offered, and the use of the funds.

C. *Other Defrauded Investors*

51. Solomon and/or Constantin, acting on Windham's behalf, fraudulently solicited and obtained more than \$150,000 from five other investors purportedly for investments in Leeward. To do so, Solomon and/or Constantin made similar material misrepresentations and omissions about their intended use of investor funds and the existence of the Leeward investment opportunity that the investors were purportedly purchasing, among other things.

52. At least during the Relevant Period and thereafter, Solomon and/or Constantin represented that the investors would receive Leeward shares valued with a purchase price of \$1.00 per share while failing to disclose that Defendants had not in fact purchased any Leeward securities for the investors, had instead misappropriated investors' funds, and had used misappropriated investor funds to enable DAC to purchase Leeward shares at 30 cents per share for DAC's own benefit. Solomon and/or Constantin also concealed their misappropriation of investor funds by continuing to make false representations regarding the existence of the

Leeward investments and by creating and issuing fictitious convertible promissory notes to investors who requested documentation.

D. *Misappropriations from All Seven Purported Leeward Investors*

53. As a result of Defendants' misrepresentations and omissions, Defendants fraudulently obtained at least \$1,127,928 from seven investors of funds intended for investments in Leeward and at least an additional \$135,000 in purported fees. Constantin, acting on Windham's behalf, controlled and directed the use of all funds while knowing or recklessly disregarding that the funds were obtained by fraudulent means.

54. Within days of the transfer of each investor's funds to the Bank Account, Constantin looted the funds by directing their disbursement for other purposes. Constantin transferred approximately \$645,000 of the investors' funds to Constantin Resource and approximately \$23,000 of the investors' funds to his personal bank account. Constantin also transferred \$450,000 of investors' funds to Leeward for an investment by DAC, which Constantin controlled.

55. Constantin then transferred at least \$47,000 of the investors' funds from Constantin Resource to Solomon. Solomon also received at least an additional \$62,500 in illicit fees. Solomon knew or recklessly disregarded that the funds he received were obtained by fraudulent means.

56. In total, Constantin and Solomon misappropriated from the Bank Account all (or virtually all) of the money investors transferred to Windham for the Leeward investments and

diverted these funds for their own purposes, as shown below:

<b>Destination/Use</b>	<b>Amount</b>	<b>Percentage of Funds</b>
Constantin Resource	\$645,000.00	57%
Constantin Personal Bank Account	\$23,000.00	2%
DAC Purchase of Leeward Shares	\$450,000.00	40%
Other	9,928.28	1%
<b>Total</b>	<b>\$1,127,928.28</b>	<b>100%</b>

E. *Other Potential Windham Customers*

57. In emails made to solicit other potential Windham customers to open a brokerage account with Windham, pay fees to access Windham's purportedly exclusive investment opportunities, and purchase securities through Windham, Solomon made other outlandish claims he knew were false. For example, responding to a potential customer who hoped to earn \$40 million in one year with an investment of \$1.3 million, Solomon wrote in June 2008: "[Unnamed individual] told you of our 500% historical returns. At best it would require 2 to 3 years to raise [\$40 million] from [\$1.3 million] in a perfect situation. I was told You only have [\$1.3 million] to begin that is not enough capital. You need 8 to 10 [million] to begin if you want to make 40 [million] in 1 year." In other words, Solomon offered a preposterous 400% annual return to the customer, which Solomon knew Windham could not provide.

58. In an email to a different potential customer in August 2008, Solomon wrote: "Please communicate with me to resolve your questions, as I am preparing to begin another trade in two weeks. This trade alone is expected to return 200% upon completion. I am sure that is something in which you are interested." As Solomon knew, he had no basis for this statement about such an extraordinary return on a future trade.

### **Constantin Resource's Receipt of Investor Funds**

60. Instead of using investor funds to invest in Leeward on the investors' behalf as he had represented, Constantin directed and caused the transfer of approximately \$645,000 of investor funds from the Bank Account to Constantin Resource, an entity he wholly owned and controlled.

61. Constantin Resource did not have any legitimate claim to these funds. Constantin used the investor funds he transferred to Constantin Resource as a "slush fund" to pay personal and business expenses and make payments to Solomon and others. The personal and business expenses included cash withdrawals, rent payments on his personal residence, health insurance payments, airline tickets, golf course fees, and restaurant meals. Constantin also transferred money from Constantin Resource's account to the accounts of two Windham customers who had invested in earlier private placements offered by Windham (not Leeward) between 2005 and 2007.

### **DAC's Receipt of Investor Funds**

62. DAC, an entity under Constantin's control, entered into a share purchase agreement with Leeward that purportedly closed on or before December 31, 2008.

63. Pursuant to that agreement, DAC paid \$450,000 to purchase 1.5 million shares of Leeward at a price of 30 cents per share. Constantin effectuated DAC's purchase by using misappropriated investor funds, to which DAC did not have any legitimate claim. Constantin transferred approximately \$450,000 of investor funds from the Bank Account to Leeward as a payment on DAC's behalf. In return, Leeward issued DAC 1.5 million shares. The investors did

not authorize the transfer of their funds for the benefit of DAC, and Defendants intentionally failed to disclose their use of the investors' funds in this manner.

64. In or about May 2010, Leeward entered into the reverse merger agreement with LGHI, described above in paragraph 16. As a "seller shareholder" on behalf of DAC, Constantin signed exhibits to the agreement, including a certification listing Constantin as the only equity owner of DAC.

65. Pursuant to the reverse merger agreement, DAC received 8,053,856 shares in LGHI in exchange for DAC's 1.5 million shares of Leeward. At least as of May 17, 2011, DAC continues to hold all of its LGHI shares in its own name.

66. None of the seven Windham customers who were told they invested in Leeward received any shares by direct or indirect transfer from DAC. None of these seven investors received LGHI shares in connection with the reverse merger pursuant to any Leeward obligation, debt conversion, or other investment instrument.

### **FIRST CAUSE OF ACTION**

#### **Violations of Section 17(a) of the Securities Act (Against All Defendants)**

67. Paragraphs 1 through 66 are realleged and incorporated by reference as if fully set forth herein.

68. Defendants Windham, Constantin, and Solomon, directly or indirectly, singly or in concert, by use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, in the offer or sale of Leeward securities, knowingly or recklessly, have: (a) employed devices, schemes and artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omissions of material facts necessary

in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) have engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon purchasers of the securities.

69. By reason of the foregoing, Defendants Windham, Constantin, and Solomon, directly or indirectly, singly or in concert, have violated, and unless enjoined will again violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

### **SECOND CAUSE OF ACTION**

#### **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Against All Defendants)**

70. Paragraphs 1 through 66 are realleged and incorporated by reference as if fully set forth herein.

71. Defendants Windham, Constantin, and Solomon, directly or indirectly, singly or in concert, in connection with the purchase or sale of Leeward securities, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, have knowingly or recklessly: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of a material fact or omitted 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; or (c) engaged in acts, practices, or course of business which operated or would operate as a fraud or deceit upon any person.

72. By reason of the foregoing, Defendants Windham, Constantin, and Solomon, directly or indirectly, singly or in concert, have violated, and unless enjoined will again violate, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) & 17 C.F.R. § 240.10b-5].

### **THIRD CAUSE OF ACTION**

#### **Aiding and Abetting Violations of Exchange Act Section 10(b) and Rule 10b-5 Thereunder (Against Constantin)**

73. Paragraphs 1 through 66 are realleged and incorporated by reference as if fully set forth herein.

74. Defendants Windham and Solomon violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5] when, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, directly or indirectly, singly or in concert, in connection with the purchase or sale of Leeward securities, they knowingly or recklessly: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of a material fact or omitted 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; or (c) engaged in acts, practices, or course of business which operated or would operate as a fraud or deceit upon any person.

75. Defendant Constantin aided and abetted Windham's and Solomon's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5]. Specifically, Constantin knowingly, or with the requisite scienter, provided substantial assistance to Windham and Solomon in employing devices, schemes, or artifices to defraud; (b) making untrue statements of a material fact or omitting 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; or (c) engaging in acts, practices, or course of business which operated and operate as a fraud or deceit upon any person.

76. By reason of the foregoing, Defendant Constantin aided and abetted Windham's and Solomon's violations of, and unless enjoined will again aid and abet violations of, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5].

#### **FOURTH CAUSE OF ACTION**

##### **Control Person Liability Under Section 20(a) of the Exchange Act (Against Constantin)**

77. Paragraphs 1 through 66 are realleged and incorporated by reference as if fully set forth herein.

78. Defendant Windham violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5] when, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, directly or indirectly, singly or in concert, in connection with the purchase or sale of Leeward securities, it knowingly or recklessly: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of a material fact or omitted 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; or (c) engaged in acts, practices, or course of business which operated or would operate as a fraud or deceit upon any person.

79. At all relevant times, Defendant Constantin directed and controlled Windham's management and policies, including the conduct of its other representatives, and was a controlling person of Windham and its representatives pursuant to Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)]. Defendant Constantin was a culpable participant in the fraudulent

conduct described above and knowingly or recklessly induced many of the material misrepresentations and misstatements alleged herein.

80. Defendant Constantin is liable as a controlling person pursuant to Section 20(a) of the Exchange Act for Windham's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5], and unless enjoined will again violate these provisions and rules.

**FIFTH CAUSE OF ACTION**  
**(Against Relief Defendants)**

81. Paragraphs 1 through 66 are realleged and incorporated by reference as if fully set forth herein.

82. In the manner described above, Relief Defendants Constantin Resource and DAC have each obtained proceeds from Defendants' fraudulent schemes under circumstances in which it is not just, equitable or conscionable for the Relief Defendants to retain these ill-gotten gains. Relief Defendants gave no consideration for their receipt of these ill-gotten gains and have no legitimate claim to these funds. As a consequence, Relief Defendants Constantin Resource and DAC have each been unjustly enriched.

**PRAYER FOR RELIEF**

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

**I.**

Permanently restraining and enjoining the Defendants, their agents, servants, employees, and attorneys, and all 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

Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5].

**II.**

Ordering each of the Defendants to pay a civil monetary penalty 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)].

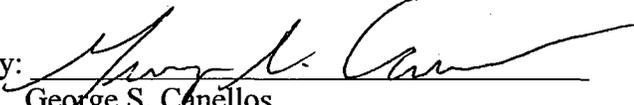
**III.**

Ordering each of the Defendants and Relief Defendants to disgorge, with prejudgment interest thereon, all ill-gotten gains each received directly or indirectly as a result of the misconduct alleged in this Complaint.

**IV.**

Granting such other and further relief as the Court deems just and appropriate.

Dated: July 6, 2011  
New York, New York

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