

regulations. From January 1997 through January 2007, this scheme generated a total of over \$12 million in fraudulent profits from secondary market sales of the illegally obtained stock. Three of the nominees knowingly played active roles in implementing the scheme and profited handsomely from their efforts: defendant Robert Danetz, a childhood friend of defendant Bert Fingerhut; defendant Bruce Fingerhut, defendant Bert Fingerhut's nephew; and defendant Stephen Danetz, defendant Robert Danetz's brother.

2. The Defendants' scheme was designed to circumvent federal and state banking regulations that require banks to give their own depositors first priority to purchase stock ahead of other interested investors when converting from mutual to stock ownership. These priority subscription rights allow depositors to purchase up to a certain number of shares at a relatively low subscription price. If an offering is oversubscribed, then the available shares are allocated among depositors according to various criteria. Because the stock can usually be sold in the secondary market at a high premium to the subscription price, these offerings attract significant investor interest. To ensure that only depositors benefit from their priority stock subscription rights, federal and state banking regulations prohibit depositors from transferring ownership of their subscription rights or from entering into any agreement regarding the sale or transfer of shares purchased in the offering. These restrictions are set forth in the offering prospectus, and depositors are required to sign a subscription agreement certifying that they are purchasing the stock for their own account and that they have no agreement or understanding regarding the sale or transfer of any shares they receive. Banking regulations, as well as the offering terms set forth in the prospectus, also restrict the amount of shares that any one individual may acquire in an offering.

3. To benefit from the priority subscription rights while evading the maximum purchase restrictions, Bert Fingerhut funded the opening of accounts in his own name and the names of his nominees at mutual savings banks throughout the country in the hope that they would convert to stock ownership. When any of the banks undertook a conversion, Bert Fingerhut secretly funded his nominees' stock purchases, controlled the sale of his nominees' shares and retained most of the trading profits. Bert Fingerhut also had the nominees submit stock order forms in which they falsely certified that they were purchasing the stock for their own account and had no agreement to transfer the shares or the proceeds of their sale to anyone else.

4. Robert Danetz and Bruce Fingerhut did most of the legwork to set up the nominee accounts and were allowed to retain a significant portion of the profits from the sale of the shares in the accounts bearing their names. They both traveled around the country opening accounts, sometimes using phony identification cards and bogus utility bills to satisfy in-state residency requirements. They both also knowingly made misrepresentations in each of the subscription agreements they signed.

5. Stephen Danetz also acted as a nominee for Bert Fingerhut and knowingly made misrepresentations in one conversion. In addition, Stephen Danetz was involved in discussions with Bert Fingerhut and Robert Danetz that led Robert Danetz to make false statements to the Commission staff in connection with an earlier investigation into a similar, unrelated scheme that targeted the conversion of NewAlliance Bancshares Inc. ("NewAlliance").

6. In total, the scheme generated approximately \$12.5 million in unlawful profits, most of which Bert Fingerhut received. Robert Danetz made a total of approximately \$1.1 million, Bruce Fingerhut made a total of \$181,268, and Stephen Danetz made \$137,975.

7. The Defendants' scheme harmed the banks' legitimate depositors. Had the banks known about the unlawful transfer of subscription rights, they would have been able to take remedial steps to protect the rights of legitimate depositors. The 65 public offerings at issue were oversubscribed, and the Defendants' scheme therefore limited the amount of stock available to legitimate depositors, some of whom received less stock than they requested or were completely shut out. Attached as Appendix A is a list identifying each of the publicly traded banks involved in this action, and the dates on which their conversion to stock ownership was completed via an initial public offering and, in the case of two of the banks, on which a second public offering was conducted.

8. By virtue of the foregoing conduct, each of the Defendants, directly or indirectly, singly or in concert, violated 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. Unless each of the Defendants is permanently restrained and enjoined, they will again engage in the acts, practices, transactions and courses of business set forth in this complaint and in acts, practices, transactions and courses of business of similar type and object.

JURISDICTION AND VENUE

9. The Commission brings this action pursuant to the authority conferred by Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), and seeks to restrain and enjoin the defendants from engaging in the acts, practices, transactions and courses of business alleged herein. The Commission also seeks a final judgment ordering the Defendants to disgorge their ill-gotten gains and pay prejudgment interest thereon, and ordering the Defendants to pay civil monetary penalties pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

10. This Court has jurisdiction over this action, and venue lies in this District, pursuant to Sections 21 and 27 of the Exchange Act, 15 U.S.C. §§78u and 78aa. The Defendants, directly or indirectly, singly or in concert, have made use of the means or instruments of transportation or communication in, and the means or instrumentality of, interstate commerce, or of the mails, in connection with the transactions, acts, practices, and courses of business alleged herein. Many of these transactions, acts, practices and courses of business occurred in the District of New Jersey, where some of the defrauded banks and depositors were located. For example, Provident Bank, described more fully below, was based in New Jersey at the time that the Defendants engaged in fraudulent conduct with respect to its conversion from mutual to stock ownership. In addition, at least one of the Defendants maintains a residence and transacts business in New Jersey.

THE DEFENDANTS

11. **Bert Fingerhut**, age 63, resides in Aspen, Colorado and Palo Alto, California. From 1965 through 1983, he was a registered representative associated in different capacities with Oppenheimer & Co., Inc. ("Oppenheimer"), then a registered broker-dealer. Among other positions, he was Director of Research and Executive Vice President and a member of both the Management and Executive Committees of Oppenheimer. From 1983 through 1988, he worked as an analyst for Odyssey Investors, Inc., a registered broker-dealer formerly affiliated with Oppenheimer.

12. **Robert Danetz**, age 62, resides in Teaneck, New Jersey and Roxbury, New York. He is a retired school teacher. He and Bert Fingerhut have been friends since childhood.

13. **Bruce Fingerhut**, age 38, resides in Alexandria, Virginia and is a freelance opinion poll researcher. He is Bert Fingerhut's nephew.

14. **Stephen Danetz**, age 65, resides in New York, New York. He is Robert Danetz's brother and is a real estate attorney admitted to practice law in New York and New Jersey.

THE DEFENDANTS' FRAUDULENT CONDUCT

The Conversion Process

15. Savings banks are typically organized as either mutual associations ("mutual banks") owned by the depositors or capital stock companies owned by shareholders. When the conversion of a mutual bank to stock ownership is approved, subscription rights to the stock offering are granted in tiers to defined groups of individuals with different levels of priority. In descending order of priority, the typical tiers are: (i) depositors who held accounts for at least a year prior to the announcement of the offering; (ii) bank employee benefit plans; (iii) borrowers and depositors who held accounts for less than a year before the announcement of the offering; and (iv) if shares remain available, members of the local community or, in a syndicated offering, other public investors. Federal and state banking laws prohibit depositors from transferring these subscription rights or entering into any arrangements for the transfer of shares before they are issued.

16. Mutual bank conversions have proven to be lucrative investment opportunities, as the stocks often trade in the immediate aftermarket at prices that represent a substantial premium over the offering price. As a result, depositors often wind up subscribing, in the aggregate, for more shares than the bank intends to issue. When a conversion offering is oversubscribed, some eligible depositors wind up receiving only a fraction of the shares they requested, and some depositors may receive none at all. The 65 offerings at issue were oversubscribed, and investors were therefore injured as a result of the Defendants' conduct.

Genesis and Mechanics of Bert Fingerhut's Scheme

17. Bert Fingerhut conceived the scheme in 1995 after reading about the profitability of thrift conversions. Over the next twelve years, Bert Fingerhut systematically targeted mutual banks throughout the country that had not yet converted to stock ownership, by opening as many accounts as possible in his own name and the names of his nominees.

18. When any of the banks at which Bert Fingerhut controlled accounts embarked on a conversion, he had his nominees -- principally Robert Danetz and Bruce Fingerhut -- submit stock order forms and subscription agreements seeking the maximum amount of shares offered to each depositor. In each instance, the nominees certified that, as required by law and the terms of the offering prospectus, they were purchasing the shares for their own account and had not entered into any prior arrangements for the transfer of the shares or the proceeds of any subsequent sale. Each of these statements was false. As detailed below, Bert Fingerhut funded both the opening of the nominees' accounts and the nominees' stock purchases, and the nominees had agreed in writing to transfer either the shares or the subsequent sale proceeds to Bert Fingerhut. In short, Bert Fingerhut secretly owned all the accounts, all the subscription rights and all the stock issued to those account holders.

19. In some cases, the converting bank also required depositors to disclose whether they were acting in concert with other subscribers or to certify that they were not doing so. In those instances, Bert Fingerhut's own stock order forms and subscription agreements were also false and misleading, as he did not disclose his arrangements with his nominees.

20. Most of the banks did not accept deposits from individuals who lived out of state, and even fewer accepted deposits by mail. Bert Fingerhut therefore recruited his childhood friend Robert Danetz to travel the country and open as many accounts as Robert Danetz could in

his own name and, via joint accounts, in the names of other Danetz and Fingerhut family members, including Bert Fingerhut. Bert Fingerhut told Robert Danetz which banks to approach, paid all of Robert Danetz's related expenses and shared a portion of the subsequent trading profits with him. As the scheme grew over the years, Bert Fingerhut also recruited his nephew Bruce Fingerhut to perform the same role as Robert Danetz. From the beginning, Bert Fingerhut made clear to both Robert Danetz and Bruce Fingerhut, and they both understood, that the money in the accounts and any related subscription rights all belonged solely to Bert Fingerhut.

21. In order to maximize his profits from the scheme, Bert Fingerhut progressively increased the amount of money he deposited into the accounts that he controlled, as larger deposits were needed to receive the maximum share allocation in a conversion. In the event of an oversubscription, the stock allocation formula employed by banks primarily depended on the amount held in the account on the record date. To finance the expansion of his scheme, Bert Fingerhut obtained two lines of credit in 1999 from the Central Bank of Aspen in Colorado, which was later acquired by U.S. Bancorp. At first, the two lines of credit totaled \$4 million; by 2007, the total credit limit on the two lines of credit was \$15 million.

22. Bert Fingerhut also made arrangements at several broker-dealer firms on his nominees' behalf so that he could directly control the aftermarket trading of the shares allocated to their accounts. He set up, or had his nominees set up, accounts in the nominees' names at Datek Online Holdings ("Datek"), an on-line brokerage firm later acquired by TD Ameritrade, Inc. ("Ameritrade"), enabling him to use the internet to trade in those accounts or to transfer shares to his own account. In addition, Bert Fingerhut had Danetz family members and Bruce Fingerhut open brokerage accounts at other firms with whom Bert Fingerhut had a longstanding relationship, including Friedman Billings Ramsey & Co., Inc., Legg Mason Walker Wood, Inc.

and Fig Partners, LLC. Bert Fingerhut arranged to receive copies of the nominees' account statements and had power of attorney over several of those accounts. When necessary, he used "signature" stamps for his family members and Robert Danetz.

Robert Danetz's Role

23. Robert Danetz's principle role was to open as many accounts at as many mutual banks as possible, in order to maximize the subscription rights that Bert Fingerhut would control in the event that the bank converted to stock ownership. At first, Robert Danetz opened single accounts in his own name and joint accounts with members of the Danetz and Fingerhut families. For several years, Robert Danetz traveled around the country with multiple copies of the social security cards and passports for Bert Fingerhut and his wife, their two daughters, Danetz's own wife, and their two children. Once Robert Danetz established accounts at a given bank, he was then able to open additional accounts by mail in the joint account holders' names and add new joint accounts with other names. To open accounts at those banks outside New York and New Jersey that prohibited depositors from outside the local area, Robert Danetz paid friends and acquaintances to add his name to their utility bills or leases so that he could show purported "proof" of local residency. He also used the acquaintances' addresses to fraudulently obtain state identification cards.

24. Although they were childhood friends, Bert Fingerhut required Robert Danetz to sign a series of written agreements setting forth the terms of their arrangement and expressly stating, among other things, that Bert Fingerhut: (a) owned all the money in all the accounts; (b) would pay the taxes on the interest income generated in the accounts; (c) would reimburse Robert Danetz for all the expenses he incurred in opening and maintaining the accounts; and (d) owned all the subscription rights in the event of a conversion. Bert Fingerhut also required

Robert Danetz to sign an "Investment Trust Agreement," in which Robert Danetz agreed that the accounts held in the names of Robert Danetz and his family were held in trust "solely for the benefit of Bert Fingerhut" and were "under the absolute control and direction of Bert Fingerhut." In the agreement, Robert Danetz also "unequivocally disclaim[ed] any personal ownership" over the trust assets and agreed not to "disclos[e] the trust relationship."

25. Robert Danetz and members of his family served as nominees for Bert Fingerhut, and thus made misrepresentations, in virtually every conversion at issue here. Bert Fingerhut compensated Robert Danetz as he saw fit, depending in part on the overall profitability of the conversion.

Bruce Fingerhut's Role

26. In late 1999, Bert Fingerhut recruited his nephew Bruce Fingerhut to join the scheme. The number of shares that Bert Fingerhut was able to purchase through his own immediate family members and through Robert Danetz and his family was often limited by restrictions on the aggregate number of shares eligible for purchase by members of a nuclear family. By establishing additional accounts in Bruce Fingerhut's name, Bert Fingerhut was able to gain access to additional subscription rights and reap greater illegal profits from his scheme.

27. Bruce Fingerhut eventually took on a more active role, akin to Robert Danetz's role, and traveled throughout parts of the country opening accounts at mutual banks. Like Robert Danetz, Bruce Fingerhut obtained false identification cards in a number of states and had his name added to documents bearing the addresses of friends and acquaintances in different states.

28. Bert Fingerhut also required Bruce Fingerhut to sign a written agreement acknowledging that all of the funds in accounts bearing Bruce Fingerhut's name and the related

subscription rights belonged to Bert Fingerhut. The written agreement also prohibited Bruce Fingerhut from disclosing his role as a nominee.

29. In all, Bruce Fingerhut served as a nominee, and thus made misrepresentations, in sixteen oversubscribed public offerings of stock issued by converting banks. Bert Fingerhut typically allowed Bruce Fingerhut to keep up to 25 percent of the net proceeds of the stock sales made in Bruce Fingerhut's name.

The Defendants' Ill-Gotten Gains

30. Bert Fingerhut used his nominees to illegally obtain subscription rights and profit at the expense of innocent depositors in the 65 oversubscribed thrift conversions identified in Appendix A. In each instance, he had the nominees subscribe for a specified number of shares, usually the maximum individual allotment, and wired money to the nominees' accounts to fund the stock purchases. To conceal their arrangement, Bert Fingerhut caused his nominees to misrepresent to the bank the source of the purchase funds and the absence of any arrangement with respect to the shares. With members of his own immediate family, Bert Fingerhut personally filled out the stock order forms in which the misrepresentations were made. Once the shares were issued, Bert Fingerhut had the nominees either authorize an internal transfer of the shares from the nominees' brokerage accounts to his account at the same firm or direct the bank's transfer agent to transfer the shares to him. In some instances, the shares were sold directly from the brokerage accounts held in the nominees' name, and the nominees would then wire Bert Fingerhut the proceeds. Bert Fingerhut made material misrepresentations on the stock order forms he submitted in his own name by failing to disclose, where called for, that he was acting in concert with and funding other subscribers.

31. The Defendants profited handsomely from the fraud. Bert Fingerhut illegally made approximately \$11 million in illegal profits from the 65 oversubscribed conversions. Robert Danetz received approximately \$1.1 million in illegal profits from Bert Fingerhut as compensation for helping to implement the scheme. Bruce Fingerhut received \$181,268 in illegal profits from Bert Fingerhut as compensation for his participation in the scheme. As detailed below, Stephen Danetz received \$137,975 from Bert Fingerhut for his participation in the Provident conversion.

Examples Of The Defendants' Scheme

32. The Defendants' conduct in two particular bank conversions illustrate in more detail how the scheme worked and the role knowingly played by each of the Defendants:

Provident Financial Services Inc.

33. Provident Financial Services Inc. ("Provident") is a Delaware Corporation formed in 2003 with its principal place of business in Jersey City, New Jersey. Its common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is traded on the New York Stock Exchange. Provident is the holding corporation for and successor to Provident Bank, formerly a New Jersey chartered mutual savings bank.

34. Bert Fingerhut established nominee accounts at Provident Bank through Robert Danetz as early as October 1996. In April 2002, Provident announced that it would be converting from mutual to stock ownership and filed a registration statement on Form S-1 with the Commission later that year. The bank offered shares to four tiers of investors. In accordance with New Jersey banking regulations, the first tier consisted of depositors who had accounts of \$50 or more as of March 31, 2001.

35. As set forth in the prospectus, individual depositors could subscribe for a maximum of 52,000 shares at \$10 per share, and no “group of individuals,” including anyone defined as an “associate” or any individuals “acting in concert,” could purchase more than 70,000 shares. Provident defined “associate” to include a depositor’s parents, spouse, sister, brothers, or children and anyone married to the foregoing, regardless of their age or residence. The term “acting in concert” was defined as “the knowing participation in a joint activity or interdependent conscious parallel action towards a common goal whether or not pursuant to an express agreement.”

36. To purchase shares, eligible account holders had to complete and sign a stock order form and remit full payment. The order form required each subscriber to certify, among other things, that he or she is “purchasing shares solely for my own account,” and that “there is no agreement or understanding regarding the sale or transfer of such shares, or [his or her] right to subscribe for shares.” The order form also required the account holder to disclose whether “any associates or persons acting in concert with you have submitted other orders for shares.”

37. On December 4, 2002, Robert Danetz, acting on instructions from Bert Fingerhut, submitted stock order forms seeking the maximum total of 70,000 shares for himself, his wife and his daughter. Because the offering was oversubscribed and their accounts were not large enough to qualify for a full allocation, Robert Danetz and his wife and daughter received a total of 65,110 shares, for which Robert Danetz paid with money provided by Bert Fingerhut. Robert Danetz filled out the order forms and falsely certified that there was no agreement or understanding to transfer the shares or the proceeds of their subsequent sale. He also failed to disclose that the Danetzes were using Bert Fingerhut’s money to purchase the shares for Bert Fingerhut and were otherwise acting in concert with him. At the same time, Bert Fingerhut,

together with his wife, ordered and received the maximum 70,000 shares. Bert Fingerhut filled out the order forms and failed to disclose that he was acting in concert with the Danetzes.

38. Soon after Provident went public on January 16, 2003, Robert Danetz directed the transfer of 47,616 shares of Provident stock from his Datek account to Bert Fingerhut's Datek account. Bert Fingerhut let the Danetzes keep the remaining 17,493 shares, which Robert Danetz quickly sold for a profit of \$127,827. Bert Fingerhut made a combined profit of \$1,172,205 on the sale of the Danetz shares and those Bert Fingerhut and his wife purchased in their own names.

39. Robert Danetz also profited from his brother Stephen Danetz's participation in the Provident conversion. Stephen Danetz qualified for subscription rights because he was a longtime Provident depositor. Bert Fingerhut agreed to finance Stephen Danetz's purchase of the maximum 52,000 share allotment, and Bert Fingerhut, Robert Danetz and Stephen Danetz entered into the following arrangement: (a) Stephen Danetz agreed to transfer half the shares he received to Robert Danetz; (b) Stephen Danetz agreed to reimburse Bert Fingerhut for the purchase price of the shares plus interest; and (c) Bert Fingerhut agreed to cover any losses on the aftermarket sales. Although Bert Fingerhut did not directly profit from this arrangement, it enabled him to compensate Robert Danetz without using Bert Fingerhut's own money.

40. Pursuant to their agreement, Bert Fingerhut wired \$520,000 to Stephen Danetz's account on December 10, 2002. At Stephen Danetz's suggestion, the funds were wired to an account Stephen Danetz held at a different bank to avoid arousing suspicion at Provident. On the same day that he received the funds, Stephen Danetz submitted a stock order form seeking 52,000 Provident shares, falsely certifying that he was purchasing the shares for his "own account" and that there was "no agreement or understanding regarding the sale or transfer" of

those shares. He received the full amount he requested and, after selling the shares, he wired \$520,000 plus interest back to Bert Fingerhut on January 24, 2003. The Danetz brothers divided the remaining profits, with Robert receiving \$146,000 and Stephen receiving \$137,975.

NewAlliance

41. NewAlliance is a Delaware corporation formed in 2004 with its principal place of business in New Haven, Connecticut. NewAlliance's common stock is currently registered with the Commission pursuant to Section 12(b) of the Exchange Act and is listed on the New York Stock Exchange. NewAlliance is the holding corporation for and successor to New Haven Savings Bank ("NHSB"), formerly a mutual savings bank chartered under Connecticut law.

42. The NewAlliance conversion was one of the most profitable for Bert Fingerhut. In September 2003, NHSB announced that it would be converting from mutual to stock ownership and would become a wholly-owned subsidiary of NewAlliance. NewAlliance filed a registration statement on Form S-1 with the Commission on September 30, 2003. As set forth in the prospectus, NewAlliance required each depositor seeking to purchase stock to certify on the stock order form that "there is no agreement or understanding regarding the sale or transfer of such shares" or the depositor's "right to subscribe for shares." Individual depositors could subscribe for a maximum 70,000 shares at \$10 per share, and groups, including family members or "persons acting in concert," could purchase a maximum of 210,000 shares. The prospectus defined the term "acting in concert" to be a combination or pooling of interests in the security pursuant to any understanding, relationship agreement or other arrangement. In accordance with Connecticut banking regulations, NewAlliance gave first priority to depositors who had accounts with \$50 or more as of June 30, 2002.

43. Using his nominees to circumvent the offering's maximum purchase limitations, Bert Fingerhut illegally obtained the subscription right to purchase 280,000 shares, and he and his wife purchased another 140,000 shares in their own names. At Bert Fingerhut's instructions and using Bert Fingerhut's money, Robert Danetz, together with his wife and daughter, obtained a total of 210,000 shares, and Bruce Fingerhut obtained another 70,000 shares.

44. In March 2004, Robert Danetz and Bruce Fingerhut filled out the stock order forms necessary to obtain those shares. Acting at Bert Fingerhut's direction, Robert Danetz and Bruce Fingerhut falsely represented in their respective stock order forms that the stock purchases were for their "own account," and that there was "no agreement or understanding regarding the sale or transfer" of the shares.

45. Right before NewAlliance went public on April 2, 2004, Robert Danetz and Bruce Fingerhut authorized the transfer of 56,172 and 59,489 shares, respectively, from their brokerage accounts at Ameritrade to Bert Fingerhut's Ameritrade account. Bert Fingerhut then directed the sale of all but 34,769 of the rest of the 140,000 shares in Robert Danetz's wife and daughter's brokerage accounts and had the proceeds wired to his own account.

46. Bert Fingerhut made a combined profit of \$931,734 from the sale of the shares obtained by his nominees, and another \$599,647 from the sale of the shares he and his wife purchased in their own names, for a total profit of \$1,531,381. Robert Danetz made \$193,169 on the sale of the shares that he was allowed to retain, and Bruce Fingerhut made \$35,953 on the sale of the shares that he was allowed to keep.

47. Acting on instructions from Bert Fingerhut, Robert Danetz also took steps to impede an earlier investigation conducted by the Commission staff into possible violations of federal securities laws in the NewAlliance conversion. That investigation resulted in a civil

action, in June 2005, against several individuals, none of whom was involved in Bert Fingerhut's scheme. See *SEC v. Robert Ross, et al.*, Lit. Rel. No. 19288 (June 28, 2005) ("First NewAlliance Case"). The United States Attorney's Office for the District of Connecticut brought parallel criminal charges against several of the individuals involved in the First NewAlliance Case. See *United States v. Robert L. Ross*, Case No. 3:05-cr-165 (June 28, 2005); *United States v. George L. Kundrat*, 3:05-cr-172 (July 7, 2005); *United States v. Chance M. Vought and John M. Lucarelli*, 3:05-cr-268 (Oct. 24, 2005). Even though Bert Fingerhut and Robert Danetz learned of the civil and criminal charges in that case no later than July 2005, they continued their own scheme for another one-and-a-half years and defrauded another fifteen banks.

48. In the First NewAlliance Case, the Commission staff issued subpoenas and questionnaires to certain individuals who had requested the maximum allocation in the NewAlliance offering. The questionnaires asked the recipients to answer certain questions under penalty of perjury, including: "What was the source of funds used to pay for the requested shares? Did anyone provide you with any funds, by a loan or any other means, to buy the shares? Are you aware of anyone who received funds from someone else by loan or other means to buy shares?"

49. In June 2004, Robert Danetz's daughter received one of the questionnaires. She made only \$25,000 a year as a speech therapist and had no substantial savings of her own, and the questionnaire required her to explain how she obtained \$700,000 for her stock purchase. Robert Danetz sent Bert Fingerhut a copy of the questionnaire, and the two of them conferred about how to respond. As a result of his discussions with Bert Fingerhut, Robert Danetz wrote on the questionnaire that his daughter had borrowed the money from Robert Danetz pursuant to

an oral agreement. Although Robert Danetz knew that these statements were false, he had his daughter sign and return the questionnaire to the Commission staff.

50. In August 2004, Robert Danetz himself received a subpoena and a questionnaire from the Commission staff in connection with the First NewAlliance Case investigation. After receiving the questionnaire, Robert Danetz consulted with Bert Fingerhut and Stephen Danetz about how Robert Danetz should respond to the questionnaire. As a result of his discussions with Bert Fingerhut and Stephen Danetz, Robert Danetz falsely wrote in his response to the questionnaire that he had used his own personal funds to pay for the shares that he had obtained from NewAlliance. He then signed and returned the questionnaire to the Commission staff.

CLAIM FOR RELIEF

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

51. The Commission repeats and realleges the allegations contained in paragraphs 1 through 50 by reference as if fully set forth herein.

52. The Defendants, directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce or of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, knowingly or recklessly, have: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material fact, or omitted to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operated or would have operated as a fraud or deceit upon any person.

53. As part and in furtherance of the fraudulent scheme and other violative conduct described above, the Defendants, directly or indirectly, singly or in concert, employed the

deceptive devices and contrivances and made the misrepresentations and omitted to state the facts alleged above in paragraphs 1-8 and 15-50.

54. The false and misleading statements and omissions made by the Defendants, more fully described above in paragraphs 1-8 and 15-50, were material.

55. The Defendants knew, or were reckless in not knowing, that these material misrepresentations and omissions, more fully described above in paragraphs 1-8 and 15-50, were false or misleading.

56. By reason of the acts, statements, omissions, practices, and courses of business alleged herein, the Defendants, singly or in concert, directly or indirectly, have violated, and unless enjoined will again violate, Section 10(b) of the Exchange Act, 15 U.S.C. §78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

57. By reason of the foregoing, the Defendants, singly or in concert, directly or indirectly, also aided and abetted violations, and unless enjoined will again aid and abet 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.

PRAYER FOR RELIEF

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

I.

Permanently enjoining and restraining each of 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,

directly or indirectly 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 each of the Defendants to disgorge the ill-gotten gains they received from the violations alleged herein, and to pay prejudgment interest thereon.

III.

Ordering each of the Defendants to pay civil monetary penalties pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

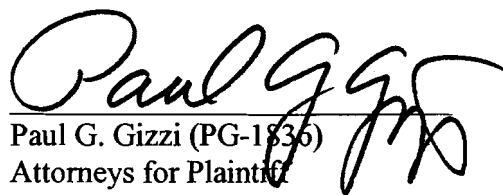
IV.

Granting such other and further relief as this Court deems appropriate.

Dated: May 16, 2007
New York, New York

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Appendix A

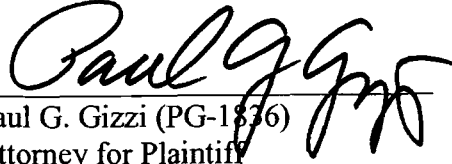
<u>Bank</u>	<u>Conversion Date</u>
Advance Financial Bancorp (AFBC)	1/2/1997
Pulaski Bancorp Inc. (PLSK)	4/3/1997
Staten Island Savings Bank (SIB)	12/22/1997
Independence Community Bank (ICBC)	3/17/1998
Richmond County Financial Corp. (RCBK)	2/18/1998
Ridgewood Financial, Inc. (RSBI)	12/11/1998
Provident Bancorp, Inc. (PBCP)	12/20/1998
Virginia Capital Bancshares (VCAP)	12/23/1998
Troy Financial Corp. (TRYF)	3/31/1999
FloridaFirst Bancorp Inc. (FFBK)	4/7/1999
Jade Financial (IGAF)	10/5/1999
Security Financial Bancorp (SFBI)	1/5/2000
Connecticut Bancshares, Inc. (SBMC)	3/2/2000
Port Financial Corp (PORT)	4/12/2000
Berkshire Hills Bancorp Inc.(BHLB)	6/28/2000
Dutchfork Bancshares Inc. (DFBS)	7/6/2000
Waypoint Financial Corp.(WYPT)	10/18/2000
City Savings Financial Corp. (CSFC)	12/24/2001
Willow Grove Bancorp, Inc. (WGBC)	4/4/2002
New England Bancshares (NEBS)	6/4/2002
Brookline Bancorp Inc (BRKL)	7/10/2002
First Pctrust Bancorp Inc. (FPTB)	8/23/2002
Synergy Financial Group Inc. (SYNF)	9/17/2002
TierOne Financial Cp (TONE)	10/2/2002
Atlantic Liberty Financial Corp.(ALFC)	10/23/2002
Provident Financial Services (PFS)	1/16/2003
Jefferson Bancshares Inc. (JFBI)	7/2/2003
American Bancorp of NJ (ABNJ)	10/3/2003
Flatbush Fed Bancorp Inc. (FLTB)	10/20/2003
Rainier Pacific Financial Group (RPFG)	10/21/2003
Bank Mutual Corp. (BKMU)	10/30/2003
Cheviot Financial Corp (CHEV)	1/6/2004
Provident New York Bancorp (PBNY)	1/15/2004
Clifton Savings Bancorp Inc (CSBK)	3/4/2004
Citizens Community Bancorp Inc. (CZWI)	3/30/2004
K-Fed Bancorp (KFED)	3/31/2004
NewAlliance Bancshares Inc. (NAL)	4/2/2004
Naugatuck Valley Financial Corp (NVSL)	10/1/2004
Si Financial Group (SIFI)	10/1/2004
Atlantic Coast Federal Corporation (ACFC)	10/5/2004

Appendix A (cont.)

<u>Bank</u>	<u>Conversion Date</u>
PSB Holdings Inc (PSBH)	10/5/2004
Home Fed Bancorp Inc. (HOME)	12/7/2004
Lincoln Park Bancorp (LPBC)	12/20/2004
Ocean Shore Holding (OSHC)	12/22/2004
Royal Financial Inc (RYFL)	1/21/2005
Kearny Financial Corp (KARNY)	2/24/2005
Kentucky First Federal Bancorp (KFFB)	3/3/2005
BankFinancial Corp. (BFIN)	6/24/2005
Colonial Bankshares Inc.(COBK)	6/30/2005
Heritage Financial Group (HBOS)	6/30/2005
United Financial Bancorp Inc. (UBNK)	7/13/2005
Wauwatosa Holdings Inc(WAUW)	10/5/2005
American Bancorp of NJ (ABNJ)	10/6/2005
Investors Bancorp Inc (ISBC)	10/12/2005
Legacy Bancorp Inc (LEGC)	10/26/2005
Magyar Bancorp, Inc (MGYR)	1/24/2006
United Community Bancorp (UCBA)	3/31/2006
North East Community Bancorp (NECB)	7/6/2006
Chicopee Bancorp Inc. (CBNK)	7/20/2006
Viewpoint Financial Group (VPFG)	10/3/2006
Ben Franklin Financial Inc. (BFFI)	10/19/2006
MSB Financial Corp. (MSBF)	1/5/2007
Polonia Bancorp (PBCP)	1/16/2007
Hampden Bancorp Inc. (HBNK)	1/17/2007
Oritani Financial Corp. (ORIT)	1/24/2007

Certification

Pursuant to Local Rule 11.2, I certify that the matter in controversy alleged in the foregoing Complaint is not the subject of any other action pending in any court, or of any pending arbitration or administrative proceeding.



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