

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 54361 / August 25, 2006

Administrative Proceeding File No. 3-12398

The United States Securities and Exchange Commission (“Commission”) today issued an Order Instituting Public Administrative Proceeding Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) and Notice of Hearing (the Order) against John M. Lucarelli of Greenwich, Connecticut.

The Division of Enforcement (Division) alleges in the Order that from September 2002 through December 2004, Respondent was a vice president of Bank of New York Company, Inc. (“BONY”). The Division also alleges that, from August 1998 through August 2002, and again from June 2004 through December 2004, Respondent was a registered representative associated with broker-dealers registered with the Commission. The Division further alleges that, for a portion of the time in which he engaged in the conduct underlying the indictment described in the Order, Respondent was associated with or was seeking to become associated with BNY Investment Center, Inc., a broker-dealer registered with the Commission. The Division also alleges that, on July 28, 2006, a jury returned a verdict of guilty against Respondent on one count of conspiracy to commit mail fraud and securities fraud in violation of Title 18, United States Code, Section 371, and one count of securities fraud in violation of Title 18 United States Code, Section 1348, before the United States District Court for the District of Connecticut, in United States v. Chance M. Vought, et al., Case No. 3:05-cr-00268-JBA. The counts of the criminal indictment as to which the jury found Lucarelli guilty alleged, among other things, that Lucarelli and others engaged in a scheme to illegally obtain shares of NewAlliance Bancshares stock in connection with the conversion of New Haven Savings Bank (“NHSB”) from a mutual savings bank to a capital stock savings bank. According to the indictment, Lucarelli and his co-conspirators caused eligible account holders to make false representations on stock order forms submitted to NHSB and thereby acquire shares to transfer to Lucarelli and his co-conspirators, who then sold the stock at a profit. The indictment further alleged that Lucarelli acted as a “scout” who contacted NHSB account holders, proposed to them the illegal arrangement to acquire NewAlliance Bancshares stock, arranged meetings between the account holders and his co-conspirators, and took other steps in furtherance of the conspiracy. The indictment further alleges that Lucarelli received a check for \$88,000 “as part of his share of the estimated profit for his role in the transaction.” These allegations are substantially similar to the allegations set forth in the Commission’s complaint against Lucarelli and others filed in SEC v. Robert Ross, et al., Case No. 3:05-cv-01036-JBA (D. Conn., filed June 28, 2005).

A hearing will be scheduled before an Administrative Law Judge to determine whether the allegations in the Order are true, to provide Lucarelli an opportunity to dispute the allegations, and to determine what, if any, remedial action is appropriate in the public interest pursuant to Section 15(b) of the Exchange Act. The Order requires the Administrative Law Judge to issue an initial

decision no later than 210 days from the date of service of the Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.