

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
March 16, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-12239

In the Matter of

DOMINICK J. SAVINO,

Respondent.

ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Dominick J. Savino (“Respondent” or “Savino”).

II.

After an investigation, the Division of Enforcement alleges that:

1. Savino, age 42, resides in Riverside, Connecticut. From August 1998 through August 2000, Savino was a vice president, salesperson and registered representative associated with Greenwich Capital Markets, Inc. (“Greenwich”), a broker-dealer registered with the Commission pursuant to Section 15(b) of the Exchange Act.

2. On February 24, 2006, a final judgment was entered against Savino, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Dominick Savino, et al., Civil Action Number 01 CV 2438 (GBD), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that Savino, while employed at Greenwich, provided kickbacks in the form of undisclosed cash payments and improper gifts and gratuities to a bond trader with New York Life Insurance Company, Inc. (“New York Life”). In exchange for these kickbacks, Savino received from New York Life a flow of securities transactions, at times at prices that favored Greenwich at the expense of New York Life. Savino

received significant compensation from Greenwich as a result of the New York Life transactions. The complaint further alleged that Savino failed to disclose that he received these kickbacks from New York Life in exchange for the flow of business and favorable prices, and that he took other steps to conceal the fraudulent scheme.

4. Following a bench trial, the United States District Court for the Southern District of New York held that Savino violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. SEC v. Savino, 2006 WL 375074 (S.D.N.Y. Feb. 16, 2006). The District Court made detailed and extensive findings of fact and conclusions of law in its Memorandum Decision. The court's findings and conclusions include the following:

- a) Savino violated his duties as a licensed securities professional by engaging in an "illegal fraudulent scheme" with a New York Life bond trader to defraud New York Life that involved "material misrepresentations and omissions" in connection with his trades. Savino offered and gave the New York Life bond trader "secret payments, gifts, and gratuities" in connection with their securities trades. Savino obtained a "flow of trades, and therefore more commissions," in exchange for such remuneration. Savino concealed the fact that he was compensating the New York Life bond trader in connection with trades, and "affirmatively misrepresented" the nature of the consideration paid. Savino also understood that the securities trades with New York Life were executed at prices less favorable to New York Life than what was otherwise obtainable. Savino concealed the fact that the New York Life bond trader was trading New York Life's securities "at less than favorable prices" because of Savino's payments. These misrepresentations and omissions were material in that they involved information that a reasonable investor would consider important in the decision to buy or sell securities;
- b) The level of scienter in Savino's violations was "high," in that he "knowingly and willingly" defrauded New York Life, and intentionally failed to disclose, and intentionally concealed, the material circumstances of his trading relationship with the New York Life bond trader;
- c) Savino's violations were "egregious," and were repeated "multiple times" over the course of his relationship with the New York Life bond trader;
- d) Savino took "affirmative steps" to conceal his conduct by, among other things, failing to report his payments, gifts or gratuities to the New York Life bond trader. Savino also "attempted to obstruct" the investigation into his conduct by, among other things, lying to attorneys at Greenwich during their internal probe, and urging the New York Life bond trader to lie to conceal the scheme; and

- e) Savino was “unwilling to admit that he engaged in wrongdoing,” contending instead that the fraudulent scheme was just a joke, “despite overwhelming evidence to the contrary.” In trying to deflect evidence of his wrongdoing, Savino provided “untruthful statements” during his deposition and while testifying at trial.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

### **IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related

proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris  
Secretary