

John M. Lucarelli was acquitted on March 21, 2007 of all counts in the indictment. See Order Dismissing Administrative Proceeding (Securities Exchange Act Rel. No. 56075/July 13, 2007).

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
August 25, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12398

In the Matter of

JOHN M. LUCARELLI,

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 John M. Lucarelli ("Respondent" or "Lucarelli").

II.

After an investigation, the Division of Enforcement alleges that:

1. From September 2002 through December 2004, Respondent was a vice president of Bank of New York Company, Inc. ("BONY"). 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. For a portion of the time in which he engaged in the conduct underlying the indictment described below, Respondent was associated with or was seeking to become associated with BNY Investment Center, Inc., a broker-dealer registered with the Commission (File No. 8-51868) and headquartered in New York, New York. Respondent, 35 years old, (CRD # 3123248), is a resident of Greenwich, Connecticut.

2. 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.

3. 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).

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), 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