

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62153 / May 21, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13911

In the Matter of

GENE T. MANCINELLI,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

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 Gene T. Mancinelli (“Mancinelli” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 and III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Mancinelli was a registered representative at Wall Street Access ("WSA"), a registered broker-dealer located in New York, from March 2001 to May 2002. Mancinelli was a Managing Director at WSA. WSA asked him to leave the firm after problems arose as a result of Mancinelli's executing late trades for one of his customers, Hedge Fund A. Mancinelli's customers included Hedge Fund A, as well as nearly all of WSA's market timing customers. Mancinelli also was in charge of WSA's fixed income municipal bond trading desk. Mancinelli, 49 years old, is a resident of New York, New York.

2. On May 3, 2010, an amended final judgment was entered by consent against Mancinelli, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and aiding and abetting violations of Sections 15(c) of the Exchange Act and Rule 10b-3 thereunder, in the civil action entitled Securities and Exchange Commission v. Gene T. Mancinelli, Civil Action Number 06-CV-7885, in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged that, in connection with the sale of mutual funds shares, Mancinelli and his customers defrauded mutual funds by engaging in late trading and by deceptively market timing mutual funds. From approximately April 2001 through October 2001, Mancinelli and others acting at his direction accepted and executed more than 2,000 late trades in mutual funds for a hedge fund customer, Hedge Fund A. Additionally, Mancinelli and his market timing customers utilized deceptive tactics to deceive mutual funds and facilitate these customers' market timing strategies. For example, Mancinelli opened multiple accounts for his market timing customers, and used multiple broker identification numbers to conceal his customers' identity from mutual funds that had previously identified these customers as market timers and blocked their trading. Mancinelli and WSA benefited from the late trading and market timing through, among other things, the fees Mancinelli's customers paid. At the same time, the mutual funds were harmed by the market timing and late trading of Mancinelli and his customers.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Mancinelli's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Mancinelli be, and hereby is barred from association with any broker or dealer with the right to reapply for association after three years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of

factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the *Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions* ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
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