

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 70768 / October 29, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15592**

**In the Matter of**

**JOSEPH M. MANCUSO,**

**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 Joseph Mancuso (“Mancuso” 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 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. Mancuso, age 37, resides in New York, New York. During the relevant time period, Mancuso was a registered representative and proprietary trader at Schottenfeld Group, LLC ("Schottenfeld") a Delaware limited liability company and registered broker-dealer based in New York, New York. Mancuso held Series 7, 24, 55, and 63 securities licenses.

2. On October 21, 2013, a final judgment was entered by consent against Mancuso, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Joseph M. Mancuso, Civil Action Number 13-CV-2555, in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged, *inter alia*, that, while working as a trader at Schottenfeld in 2007, Mancuso was tipped material, nonpublic information concerning the possible acquisitions of Avaya, Inc. ("Avaya"), 3Com Corp. ("3Com"), Axcan Pharma Inc. ("Axcan"), Hilton Hotels Corp. ("Hilton") and Kronos Inc. ("Kronos"), which had been conveyed in violation of a duty. The complaint further alleged that Mancuso purchased shares of Avaya, Axcan, 3Com, Hilton and Kronos based on that material, nonpublic information, and, following the public announcement of each acquisition, sold the securities, generating profits of approximately \$350,000.

### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Mancuso be, and hereby is: barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock

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