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 Michael A. Picone ("Respondent" or "Picone").

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.B.1 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)

III.

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

A. RESPONDENT

1. Picone, age 45, is a resident of New York, New York. Picone was the chief operating officer of A.B. Watley Group, Inc., a publicly traded holding company that conducts its business through broker-dealer subsidiaries, from December 2002 through August 2003. From August 2003 through 2004, Picone was a consultant to A.B. Watley Group, Inc. Picone held series 7 and 63 licenses.

B. RESPONDENT’S CIVIL INJUNCTION

1. On March 21, 2011, a final judgment was entered by consent against Picone, 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, and from aiding and abetting violations of Section 15(c) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. A.B. Watley Group, Inc., et al., Civil Action Number 1:06-CV-1274, in the United States District Court for the Eastern District of New York.

   2. The Commission’s complaint alleged that, while employed as a consultant and chief operating officer of a broker-dealer, Picone participated in a scheme to improperly obtain material confidential information from broker-dealers’ “squawk boxes” so that day traders at the broker-dealer can trade ahead of the broker-dealers’ institutional orders.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act that Respondent Picone be, and hereby is barred from association with any broker or dealer with the right to reapply for association after three (3) 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
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  
Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557

William Finkel, Esq.  
New York Regional Office  
Securities and Exchange Commission  
3 World Financial Center, Suite 400  
New York, NY 10281

Mr. Michael A. Picone  
c/o Ronald G. Russo, Esq.  
Schlam Stone & Dolan LLP  
26 Broadway, 19th Floor  
New York, NY 10004

Ronald G. Russo, Esq.  
Schlam Stone & Dolan LLP  
26 Broadway, 19th Floor  
New York, NY 10004  
(Counsel for Michael A. Picone)