

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85053 / February 5, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-18985

In the Matter of

FRANK DINUCCI, JR.,

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 Frank Dinucci, Jr. (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2, III.3 and III.4. below, and 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. Respondent was a registered representative at AOC Securities LLC, a registered broker dealer. Respondent is 35 years old, and is a resident of New York, New York.

2. On April 6, 2017, Respondent pled guilty to four counts, including one count of conspiracy to commit securities fraud and wire fraud, in violation of 18 U.S.C. § 371; one count of securities fraud, in violation of 15 U.S.C. §78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 1343; one count of wire fraud in violation of 18 U.S.C. § 1843 and 2; and one count of making false statements, in violation of 18 U.S.C. § 1001, before the United States District Court for the Southern District of New York, in United States v. Frank Dinucci, Jr., No. 18 Cr. 332.

3. The counts of the criminal information to which Respondent pled guilty alleged, inter alia, that Respondent caused false and misleading representations and omissions to be made to current and prospective investors of a New York-based hedge fund (the “Hedge Fund”) regarding net asset values, including by providing artificially inflated marks to the Hedge Fund on its securities.

4. The counts of the criminal information to which Respondent pled guilty further alleged that Respondent entered into a deferred prosecution agreement with the Commission in which he agreed, among other things, “to refrain for a period of one year . . . from any association with any broker [or] dealer,” from October 8, 2015 to October 8, 2016, and that Respondent submitted four certifications to the Commission that falsely certified that he was “not associated with any broker [or] dealer,” when, in fact, he continued to associate with a broker-dealer.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b) of the Exchange Act, that Respondent 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.

Pursuant to Section 15(b)(6) of the Exchange Act that Respondent be, and hereby is 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.

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

Brent J. Fields
Secretary