UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

SECURITIES AND EXCHANGE COMMISSION,	)	
Plaintiff,	)	
v.	)	**Civil Action No.**
JAY SLESINGER and MAURICE SERVETNICK,	)	_____
Defendants	)	
and MOSHE ARIEL,	)	
Relief Defendant.	)	

COMPLAINT

Plaintiff Securities and Exchange Commission (the "Commission") alleges the following against defendants Jay Slesinger and Maurice Servetnick and relief defendant Moshe Ariel:

SUMMARY

1. Defendants carried out a fraudulent scheme involving the illegal purchase of stock in the initial public offering ("IPO") of NewAlliance Bancshares, Inc. ("NewAlliance" or the "bank"). In accordance with Connecticut banking regulations, NewAlliance gave priority in the IPO to bank depositors as of June 30, 2002, who were prohibited from entering into any agreements regarding the sale or transfer of NewAlliance Stock. The defendants were not entitled to purchase or arrange for others to purchase any stock in the IPO through bank depositors.

2. Slesinger entered into an illegal arrangement with a depositor of the New Haven Savings Bank ("NHSB") pursuant to which he used the depositor to illegally purchase 195,171

shares of NewAlliance Bancshares in the bank's IPO. Slesinger and the depositor agreed that Slesinger would receive the after-tax profits upon the sale of the stock, except that the depositor would keep 87.5 cents per share for acting as Slesinger's nominee. Servetnick, then a registered representative associated with a broker-dealer, initiated the arrangement between defendant Slesinger and the depositor.

3. Servetnick also orchestrated an arrangement between Ariel and the same depositor whereby the depositor served as a nominee to purchase 40,000 shares of NewAlliance stock for Ariel. As negotiated by Servetnick, Ariel and the depositor agreed that Ariel would receive 80 percent of the after-tax profits and that the depositor would keep 20 percent of such profits for acting as Ariel's nominee.

4. Both of these arrangements were prohibited by the federal securities laws and the Connecticut banking regulations. Slesinger and Servetnick caused the nominee depositor to submit to the bank subscription documents that falsely and misleadingly represented that the depositor was the true purchaser of the stock and had not entered into any agreements relating to the sale or transfer of the stock. Shortly after receiving NewAlliance stock through the IPO, the nominee depositor sold the stock and distributed the profits per his agreements with Slesinger and Ariel.

5. Through the activities alleged in this Complaint, (a) Slesinger violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder; (b) Servetnick violated Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder; and (c) relief defendant Ariel received $80,967 through the above-described agreement arranged by Servetnick, which represent ill-gotten gains to which he has no legitimate claims.

6. Accordingly, the Commission seeks: (a) the entry of a permanent injunction prohibiting defendants Slesinger and Servetnick from further violations of the relevant provisions of the federal securities laws; (b) disgorgement of all ill-gotten gains, plus pre-judgment interest, from each defendant and relief defendant; and (c) the imposition of a civil penalty against each defendants Slesinger and Servetnick due to the egregious nature of their violations.

JURISDICTION

7. The Commission seeks a permanent injunction and disgorgement of ill-gotten gains pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. The Commission seeks the imposition of civil penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

8. This Court has jurisdiction over this action pursuant to Sections 21 and 27 of the Exchange Act [15 U.S.C. §§ 78u, 78aa]. The bank is based in this District; the depositor resides in this District; and many of the acts and transactions alleged in this Complaint occurred in this District.

9. In connection with the conduct described in this Complaint, the defendants directly or indirectly made use of the mails or the means or instrumentalities of interstate commerce or of the mails, or of the facilities of any national securities exchange.

DEFENDANTS

10. **Slesinger**, age 75, resides in Boca Raton, Florida. Slesinger maintains accounts at various savings banks to be able to participate legitimately in the initial public offering if the savings bank converts from a mutual to a stock form of organization. In fact, Slesinger was a depositor at NHSB who requested and received NewAlliance stock in his own name.

11. **Servetnick**, age 72, resides in Weymouth, Massachusetts. Servetnick was a registered representative associated with various broker-dealers from 1961 until he retired in July 2004. At the time of the conduct described in this Complaint, Servetnick was a register representative of Morgan Stanley Dean Witter Reynolds, Inc., which is registered with the Commission both as a broker-dealer and investment adviser.

RELIEF DEFENDANT

12. **Ariel**, age 50, resides in West Palm Beach, Florida.

BACKGROUND OF THE IPO

13. NewAlliance came into existence as a result of, among other things, the conversion of New Haven Savings Bank ("NHSB" or collectively with NewAlliance referred to as "the bank") from a mutual form of organization to a stock form of organization pursuant to the IPO. Connecticut state banking regulations required that, when offering stock to the public through the IPO, the bank give first priority to depositors as of a record date determined by the bank. The bank chose June 30, 2002 as the record date for these "first-tier" depositors.

14. Connecticut state banking regulations expressly prohibited any person from transferring subscription rights and/or entering into any agreement or understanding to transfer the legal or beneficial ownership of conversion subscription rights, or the underlying securities, to the account of another. See Conn. Agencies Regs. § 36-142m-12(b). Those regulations further expressly prohibit, prior to the completion of a conversion, any offer for any security of the converting bank issued in connection with the conversion. Id., § 36-142m-12(b), (c).

15. The bank sent by United States mail to all of its customers – including Slesinger (who himself was a depositor of NHSB) and the nominee depositor – a stock order form and

prospectus. The prospectus provided that those seeking to purchase stock in the IPO could request up to 70,000 shares of stock at a price of $10 per share.

16. The prospectus also set forth the order of preference for allocating the stock: Depositors having accounts at NHSB as of June 30, 2002, referred to as "first-tier depositors," were to have first preference in receiving stock.

17. The prospectus provided that anyone seeking to purchase stock must complete and sign the stock order form under penalty of perjury and remit full payment for the requested shares by mail or overnight delivery for receipt by NewAlliance prior to 10:00 a.m. on March 11, 2004.

18. The prospectus specifically provided that each person requesting stock was prohibited from entering into any agreement or understanding regarding the sale or transfer of the subscription rights or underlying stock:

> Applicable regulations and the plan of conversion prohibit any person with subscription rights, including the eligible account holders . . . from transferring or entering into any agreement or understanding to transfer the legal or beneficial ownership of the subscription rights issued under the plan or conversion or the shares of common stock to be issued upon their exercise . . . . Each person exercising subscription rights will be required to certify that he or she is purchasing shares solely for his or her own account and that he or she has no agreement or understanding regarding the sale or transfer of such shares. The regulations also prohibit any person from offering . . . to purchase subscription rights or shares of common stock to be issued upon their exercise.

19. The stock order form required the person requesting stock to certify under penalty of perjury the following:

> I am purchasing solely for my own account, and there is no agreement or understanding regarding the sale or transfer of the shares or the right to subscribe for the shares.

20. The offering was oversubscribed by first-tier depositors, who received all 102,493,750 shares issued by NewAlliance. As a result, the bank and its underwriter, Ryan Beck

& Company, allocated stock in accordance with a formula set forth in the prospectus based primarily upon the amount of money held in the depositor's account as of June 30, 2002. No person who was not a first-tier depositor received stock. In addition, certain first-tier depositors did not receive the full amount of stock they requested.

21. NewAlliance stock began trading publicly on April 2, 2004.

THE SCHEME

Servetnick Solicited the Depositor on Behalf of Slesinger and Ariel

22. In the summer of 2003, shortly after NHSB announced its intention to convert from a mutual to a stock form of organization, Servetnick, a registered representative associated with a broker-dealer working in Massachusetts, asked an intern at the same broker-dealer with which Servetnick was associated, whether the intern's family had any accounts at NHSB.

23. Servetnick knew that the intern and his family were from Connecticut, where NHSB is based.

24. The intern told Servetnick that his family had several accounts at NHSB. Servetnick then told the intern that NewAlliance was a good investment and that his father, "the depositor," should call Servetnick to discuss the NewAlliance conversion offering.

25. Shortly thereafter, the depositor called Servetnick to discuss the offering. Servetnick explained the conversion offering process to the depositor and encouraged him to purchase the stock.

26. As the deadline for submitting the stock order form approached, the depositor had a lunch meeting with Servetnick in Boston to further discuss NewAlliance.

27. During the meeting, the depositor told Servetnik that even though he had several accounts at NHSB, he could only afford to purchase 10,000 shares of NewAlliance stock. Servetnick indicated that he had two friends who wanted to buy NewAlliance stock in the IPO. Servetnick named Slesinger as one of the friends and gave the depositor Slesinger's telephone number to call. Servetnick did not disclose that Ariel was the second friend until after the stock was issued in the IPO .

The Depositor Agreed to Purchase NewAlliance Stock for Slesinger

28. While in Florida in February 2004, the depositor called Slesinger to inquire about the possibility of obtaining funds from him to purchase NewAlliance stock. Slesinger wanted to discuss the matter in person, so he invited the depositor to his condominium in Boca Raton.

29. When they met, Slesinger described the conversion process and offered the depositor $2 million to purchase 200,000 shares of NewAlliance stock under the following terms: (i) Slesinger would determine when those shares would be sold; and (ii) the depositor would send Slesinger all of the proceeds from the sale of those shares, minus: 35% for capital gains taxes, 5 cents per share for broker's commissions, and 87.5 cents per share for the depositor to keep as his share of the profits.

30. Slesinger drafted a letter agreement, dated March 2, 2004, containing the above terms for the depositor to sign.

31. Slesinger knew that such agreement was prohibited by the NewAlliance prospectus.

32. As a first-tier depositor of NHSB himself, Slesinger received the prospectus, which specifically provided that each person requesting the stock was prohibited from entering

into any agreement or understanding regarding the sale or transfer of the subscription rights or the underlying stock.

33. Moreover, Slesinger requested NewAlliance stock through his own account at NHSB. In doing so, defendant Slesinger signed the stock order form and certified under penalty of perjury that he was purchasing the stock solely for his own account, and there was no agreement or understanding regarding the sale or transfer of the shares or the right to subscribe for the shares.

34. Despite his knowledge of these prohibitions, when the depositor raised concerns about the legality of entering into such an arrangement, Slesinger assured him that there was nothing wrong with the transaction as long as the depositor did not transfer the shares to Slesinger.

35. Believing that Slesinger was a sophisticated investor who had participated in other mutual bank conversions and that Slesinger was requesting NewAlliance stock as a depositor himself, the depositor accepted Slesinger's explanation and signed the agreement.

36. When the depositor received a subpoena for testimony and documents from the Commission staff in the spring of 2004, he called Slesinger to inquire about the investigation.

37. During that conversation, Slesinger suggested that they rewrite the agreement so that it would reflect a loan, pursuant to which Slesinger and the depositor would split the profit 86% and 14%, respectively, after taxes.

38. The depositor declined to re-write the agreement.

Defendant Servetnick Offered Relief Defendant Ariel the Deal

39. During a telephone conversation with Ariel in early March 2004, Servetnick indicated that he knew a NHSB depositor who was eligible to purchase a significant quantity of NewAlliance stock but did not have the requisite funds to do so.

40. Servetnick told Ariel that the depositor would purchase some shares for him if the depositor was allowed to retain 20% to 25% of the profit from the sale of such shares.

41. Servetnick suggested that Ariel liquidate his positions in his account with the broker-dealer with which Servetnick was associated, which at the time was valued at approximately $450,000, and use the proceeds to purchase NewAlliance stock.

42. At Servetnick's urging, Ariel agreed to invest $400,000 in the NewAlliance IPO, and, accordingly, instructed Servetnick to sell the requisite quantity of stock in his account.

43. Ariel offered Servetnick five percent of any profit he made from the transaction.

The Depositor Agreed to Purchase NewAlliance Stock for Ariel

44. In early March 2004, Servetnick told the depositor that one of his clients (Ariel) was interested in investing $400,000 in the NewAlliance IPO. Servetnick told the depositor that the client would purchase 40,000 shares of NewAlliance stock through the depositor, and when the depositor sold those shares, his client would take 80% of the profit after capital gains taxes.

45. The depositor understood from Servetnick that he was to sell the 40,000 shares shortly after the IPO.

46. The depositor agreed to purchase NewAlliance stock for Servetnick's client, Ariel, although Servetnick had not yet told the depositor Ariel's name. The agreement was not reduced to writing and the depositor never spoke with Ariel.

47. On March 5, 2004, Ariel sent a $400,000 check to Servetnick, which Servetnick then forwarded to the depositor.

The Depositor Requested NewAlliance Stock

48. On or about March 4, 2006, the depositor sent by overnight delivery four stock order forms requesting a total of 260,000 shares of NewAlliance stock based on the four accounts that he and his family held at NHSB, together with four checks totaling $2,600,000. The 260,000 shares were to be allocated as follows: 200,000 shares for Slesinger, 40,000 shares for Ariel, and 20,000 shares for the depositor.

49. Because the offering was oversubscribed, the depositor received only 255,171 shares, and he took the 4,829 share shortfall from Slesinger's allocation. On April 1, 2004, NHSB refunded the depositor a check for $48,431 for these 4,829 shares, which included interest. The depositor then sent a check for $48,290 to Slesinger.

50. At Slesinger's suggestion, the depositor opened three accounts at a brokerage firm, with which Slesinger was not associated, and deposited the 255,171 shares of NewAlliance stock into these accounts.

51. The depositor also authorized Slesinger to trade in the accounts, and Slesinger placed orders to sell the NewAlliance stock.

The Depositor Sold the Stock and Distributed the Profits

52. All 255,171 shares of NewAlliance stock that the depositor received were sold from April 12 to April 26, 2004, for total proceeds of $3,553,995. The depositor then distributed the proceeds as follows:

a. He sent Ariel a check for $480,967 -- the principal plus $80,967, which the depositor calculated to be 80% of the total gain from the sale of 40,000 shares minus commissions and 35% for capital gains taxes. Pursuant to the agreement with Servetnick, the depositor retained $25,885 as his profit from the sale of Ariel's 40,000 shares.

b. He wire-transferred $2,228,241 to Slesinger's brokerage account -- the total proceeds from the sale of Slesinger's 195,171 shares minus 35% for capital gains, 5 cents per share for commission, and 87.5 cents per share for the depositor. Hence, Slesinger's actual profit was $276,531.

Slesinger and Ariel Paid Servetnick

53. As payment for his role in setting up these transactions, at the end of April 2004, Slesinger sent Servetnick a check for $7,000, and at the beginning of May, Ariel sent Servetnick a check for $4,000.

54. Servetnick deposited those checks into his bank account.

55. On June 16 and 17, 2004, after learning that the Commission was investigating the matters set forth in this Complaint, Servetnick returned the funds to Slesinger and Ariel.

56. By initiating the arrangement between Slesinger and the depositor, negotiating the arrangement between Ariel and the depositor, and receiving $11,000 as compensation for his services, Servetnick acted as a broker.

57. Servetnick engaged in this conduct away from the broker-dealer with which he was associated at the time.

58. Servetnick never disclosed to his employer that he had engaged in the activities described in this Complaint.

FIRST CLAIM FOR RELIEF
(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 by Both Defendants)

59. The allegations in paragraphs 1 through 58 above are incorporated herein by reference.

60. In connection with the purchase or sale of NewAlliance securities, defendants Slesinger and Servetnick, directly or indirectly, intentionally, knowingly or recklessly, used the means or instrumentalities of interstate commerce or the mails, directly or indirectly: (1) to employ a device, scheme, or artifice to defraud; (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (3) to engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in violation of §10(b) of the Exchange Act [15 U.S. C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

61. The conduct of defendants Slesinger and Servetnick involved fraud, deceit, or deliberate or reckless disregard of regulatory requirements, and resulted in substantial loss or significant risk of substantial loss to other persons, within the meaning of Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

SECOND CLAIM FOR RELIEF
(Violation of Section 15(a) of the Exchange Act by Servetnick)

62. The allegations in paragraphs 1 through 61 above are incorporated herein by reference.

63. Defendant Servetnick directly or indirectly: (a) is a natural person not associated with a broker or dealer which is a person other than a natural person (other than a broker or dealer whose business is exclusively intrastate and who does not make use of any facility of a national securities exchange); (b) has made use of the mails or of the means or instrumentalities of interstate commerce to effect transactions in, or to induce the purchase of, securities (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills); and (c) is not registered as a broker-dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

64. By reason of the foregoing, Servetnick violated Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

THIRD CLAIM FOR RELIEF
(Claim Against the Relief Defendant Moshe Ariel)

65. The allegations in paragraphs 1 through 61 above are incorporated herein by reference.

66. As set forth above, relief defendant Ariel has received $80,967, which represents ill-gotten gains from the sale of the 40,000 shares of NewAlliance stock to which he has no legitimate claims.

67. Relief defendant Ariel has obtained the ill gotten gains alleged above as part of and in furtherance of securities violations alleged in paragraphs 1 through 61, above, an under the circumstances in which it is not just, equitable or conscionable for him to retain the $80,967. As a consequence, relief defendant Ariel has been unjustly enriched.

PRAYER FOR RELIEF

WHEREFORE, the Commission requests that this Court:

A. Enter a permanent injunction restraining Slesinger and Servetnick, and each of their respective agents, servants, employees and attorneys and those persons in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, including facsimile transmission or overnight delivery service, from directly or indirectly engaging in violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

B. Enter a permanent injunction restraining Servetnick, and each of his agents, servants, employees and attorneys and those persons in active concert or participation with him who receive actual notice of the injunction by personal service or otherwise, including facsimile transmission or overnight delivery service, from directly or indirectly engaging in violations of Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

C. Order defendants Slesinger and Servetnick to disgorge their ill-gotten gains, plus pre-judgment interest;

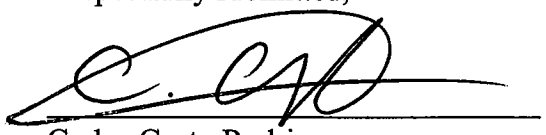
D. Order relief defendant Ariel to disgorge his ill-gotten gains, plus pre-judgment interest;

E. Order defendants Slesinger and Servetnick to pay a civil penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)];

F. Retain jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered; and

G. Award such other and further relief as the Court deems just and proper.

Respectfully submitted,



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