

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: THE STONEHEDGE GROUP,)
INC., its officers, agents, affiliates, employees,)
successors and assigns; and JOSEPH CUCINELLO)
_____)

File No. 0200136

ORDER OF PROHIBITION

TO RESPONDENT: The Stonehedge Group, Inc.
 20 Exchange Place
 35th Floor
 New York, NY 10005

 Joseph Cucinello
 4939 Augusta Avenue
 Oldsmar, Florida 33759-6332

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on May 13, 2004 which prohibited The Stonehedge Group, Inc., and Joseph Cucinello (the "Respondents") from offering or selling securities in or from the State of Illinois until further order from the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Findings of Fact as follows:

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1. The Stonehedge Group, Inc. ("Stonehedge" or collectively with Cucinello, "Respondents"), a New York corporation, maintained a place of business at 20 Exchange Place, 35th Floor, New York, New York 10005.
2. Joseph Cucinello ("Cucinello" or collectively with Stonehedge "Respondents"), is an individual with a last known address of 4939 Augusta Avenue, Oldsmar, Florida 33759-6332.
3. In or about 1999, Respondents offered through their Illinois agent salesperson (the "Agent") to more than one Illinois Resident ("Investor(s)") an investment opportunity in Stonehedge. Respondents provided the Investor(s) an informational packet ("Informational Packet") soliciting the investment in Stonehedge.
4. The Informational Packet contains an offering memorandum ("Offering"), a subscription agreement ("Agreement") and a summary of the company;
 - a. The Offering states that Stonehedge is "offering \$2,000,000 of preferred stock (the "Preferred Stock") of \$1,000 Each with a minimum purchase of \$5,000.
 - b. The Offering states that "the Preferred Stock will pay a 10% annum non-cumulative calendar quarterly dividend to the investor."
 - c. The Agreement states that Stonehedge will "use its funds to provide bridge loans or mezzanine financing to companies on the verge of making a public stock offering, or other equity interests, notes of various types, and other business opportunities that may present themselves, or joint ventures with already existing businesses."
5. From about August, 1999 to November, 1999, Investor(s) gave the Agent checks made payable to Stonehedge for investment in Stonehedge.
6. The activities described above constitute the offer and sale of stock or investment contracts and therefore securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Act.
7. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act, or offered or sold in transactions exempt under Section 4 of the Act, shall be registered with the Secretary of State by filing the proper application prior to their offer or sale in the State of Illinois.

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8. Respondents failed to file with the Secretary of State an application for registration of the investment opportunity described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
9. Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
10. Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any required application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
11. By virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, Respondents shall be and are hereby permanently PROHIBITED from offering or selling securities in or from this State of Illinois.

ENTERED: This 18th day of August, 2004.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Illinois Securities Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.