

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

IN THE MATTER OF:)

MACKROW ASSET MANAGEMENT GROUP, its managers,)
officers, affiliates, subsidiaries, representatives, successors, and)
assigns, and;)

File No. 1800297

STAXX CAPITAL MANAGEMENT, its managers, officers,)
affiliates, subsidiaries, representatives, successors, and assigns, and;)
JOHN CUCINELLA, an individual.)

NOTICE OF HEARING

TO THE RESPONDENTS:

Mackrow Asset Management Group

Staxx Capital Management

John Cucinella CRD # 2614279
83 Bay 28th Street, 2nd Floor
Brooklyn, NY 11214

**TO THE ATTORNEY FOR
THE RESPONDENTS:**

Russell L. Forkey, P.A.
Care of: Russell L. Forkey
1075 Broken Sound Parkway NW, Suite 103
Boca Raton, FL 33487

You are hereby notified that pursuant to Section 11.E of the Illinois Securities law of 1953 [815 ILCS 5/1 et. Seq.] (The "Act") and Ill. Admin. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 15th day of September, 2020, at the hour of 10:00 AM, or as soon as possible thereafter, before a duly designated Hearing Officer of the Secretary of State.

Said Hearing will be held to determine whether an Order shall be entered pursuant to Sections 11.E and 11.F of the Act revoking or suspending Respondents registration in the State of Illinois thereby prohibiting Respondents from selling or offering for sale securities in the State of Illinois, and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act, payable within ten (10) business days of the order.

The grounds for such proposed actions are as follows:

1. Respondent Mackrow Asset Management Group ("Mackrow") was a purported asset management firm, which held itself out as a broker dealer, and had a last known address of 83 Bay 28th Street, 2nd Floor Brooklyn, NY 11214.
2. Respondent Staxx Capital Management ("Staxx") was a purported asset management firm, which held itself out as a broker dealer, and had a last known address of 83 Bay 28th Street, 2nd Floor Brooklyn, NY 11214.
3. Respondent John Cucinella ("Cucinella") is the owner and manager of Respondents Mackrow and Staxx, and has the last known address of 83 Bay 28th Street, Apartment 1, Brooklyn, NY 11214.
4. Respondent Cucinella has not been registered in the State of Illinois as a securities salesperson since November 15, 2013 and has not been registered in any capacity in any state since April 20, 2015.
5. Between November 2012 and July 2016, Respondent Cucinella, through his company Respondents Mackrow and Staxx, solicited investments in various funds and purported precious metals which were to be managed by Respondents totaling thirty six thousand two hundred and thirty six dollars (\$36,236) from 7 elderly Illinois residents.
6. Respondent Cucinella managed the Illinois Investors' funds and generated trade details and monthly statements, on either Mackrow or Staxx letterheads, for the Illinois investors purporting various purchases of precious metals or supposed funds which the Illinois investors' money was invested in.
7. On August 8, 2019, Respondent Cucinella pleaded guilty to securities fraud in the Eastern District of New York.
8. According to court filings and facts presented at the plea proceeding, between approximately March 2015 and April 2018, Cucinella falsely represented to Mackrow investors, many of whom were elderly, that their funds would be used to invest in pre-initial public offering (pre-IPO) shares of private companies, including a company purportedly that manufactured bug spray. During the same time period, Cucinella transferred more than \$400,000 from the Mackrow account to bank accounts he controlled, and spent approximately \$108,000 for credit card payments and \$40,000 at a Mercedes-Benz dealership in Brooklyn. More than 80 individuals invested approximately \$778,000 with Mackrow, and received only \$80,818 in return.
9. Of the \$36,236 that Respondents Cucinella, Mackrow, and Staxx received between November 2012 and July 2016 from the elderly Illinois residents to be invested, only about \$6,700 has been paid back to the 7 elderly Illinois residents to date.

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10. As part of his plea, Respondent Cucinella agreed to forfeit \$948,530 that he misappropriated from investors.
11. Section 12.F of the Illinois Securities Law of 1953 states *inter alia* it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof. [815 ILCS 5] (the "Act").
12. Section 12.I of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.

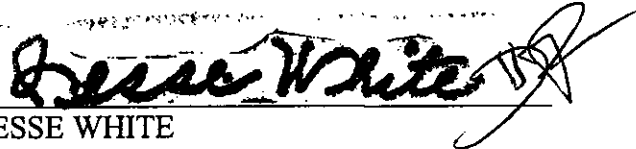
You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, or other responsive pleading within 30 (thirty) days of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website: <http://www.cyberdriveillinois.com/departments/securities/abtil.html>

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 28th day of May, 2020.



JESSE WHITE
Secretary of State
State of Illinois

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