

**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.)

CONSENT ORDER

TO THE RESPONDENTS:

Mackrow Asset Management Group
83 Bay 28th Street, 2nd Floor
Brooklyn, NY 11214

Staxx Capital Management
83 Bay 28th Street, 2nd Floor
Brooklyn, NY 11214

John Cucinella CRD # 2614279
83 Bay 28th Street, Apartment 1
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

WHEREAS, John Cucinella, personally and as owner of Mackrow Asset Management Group and Staxx Capital Management on the 20th day of May, 2020 executed a certain Stipulation to Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

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WHEREAS, by means of the Stipulation, John Cucinella, personally and as owner of Mackrow Asset Management Group and Staxx Capital Management admitted to the jurisdiction of the Secretary of State, Securities Department, and has consented to the entry of this Consent Order.

WHEREAS, by means of the Stipulation, John Cucinella, personally and as owner of Mackrow Asset Management Group and Staxx Capital Management admits to the Findings of Facts contained in this Order.

FRAUD

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

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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.
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.

CONCLUSIONS OF LAW

WHEREAS, by means of the Stipulation, Respondent John Cucinella, personally and as an owner of Mackrow Asset Management Group and Staxx Capital Management, acknowledges, agrees and admits that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Illinois has jurisdiction over this matter pursuant to the Act.
2. Respondent John Cucinella, personally and as an owner of Mackrow Asset Management Group and Staxx Capital Management acknowledges, agrees and admits that Respondents Cucinella, Mackrow, and Staxx each violated Sections 12.F and 12.I of the Act.

UNDERTAKINGS

WHEREAS, by means of the Stipulation, Respondent John Cucinella, personally and as an owner of Mackrow Asset Management Group and Staxx Capital Management has acknowledged and agreed to the following undertakings:

1. Respondent John Cucinella shall be prohibited from the offer and sale of securities in or from the State of Illinois, and prohibited from engaging in the business of investment adviser in or from the State of Illinois;
2. Respondent Mackrow Asset Management Group shall be prohibited from the offer and

sale of securities in or from the State of Illinois, and prohibited from engaging in the business of investment adviser in or from the State of Illinois;

3. Respondent Staxx Capital Management shall be prohibited from the offer and sale of securities in or from the State of Illinois, and prohibited from engaging in the business of investment adviser in or from the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. **Respondent John Cucinella** SHALL be prohibited from the offer and sale of securities in or from the State of Illinois, and prohibited from engaging in the business of investment adviser in or from the State of Illinois;
2. **Respondent Mackrow Asset Management Group** SHALL be prohibited from the offer and sale of securities in or from the State of Illinois, and prohibited from engaging in the business of investment adviser in or from the State of Illinois;
3. **Respondents Staxx Capital Management** SHALL pay be prohibited from the offer and sale of securities in or from the State of Illinois, and prohibited from engaging in the business of investment adviser in or from the State of Illinois.

The Notice of Hearing dated May 28, 2020, will be dismissed against Respondents John Cucinella, Mackrow Asset Management Group, and Staxx Capital Management without further proceedings upon full satisfaction of all obligations set forth in this Order.

The entry of this Consent Order with John Cucinella, Mackrow Asset Management Group, and Staxx Capital Management ends the Secretary of State, Securities Department's formal hearing of this matter.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who 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 judicial review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the 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

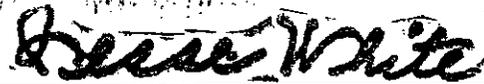
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review. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.

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

Dated: This 28th day of May, 2020.

A handwritten signature in black ink that reads "Jesse White". The signature is written in a cursive style and is positioned above a horizontal line.

JESSE WHITE
Secretary of State
State of Illinois

Attorneys for the Secretary of State:

Frank LoScuito
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-7319