

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	ORDER TO CEASE AND DESIST
)	
John N. Cucinella and)	Matter No. 20183352
Mackrow Asset Management Group,)	
)	
Respondents.)	

I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005 (the “Act”) and delegated to the Securities Division of the Office of the Attorney General (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of John N. Cucinella (“Cucinella”) and Mackrow Asset Management (“Mackrow”) (collectively, “the Respondents”) and in connection with its investigation has determined that evidence exists to support the following findings of fact and conclusions of law:

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. RESPONDENT

2. Respondent Cucinella is a resident of the State of New York with a last known address of 83 Bay 28th Street, 2nd Floor, Brooklyn, New York 11214.

3. Respondent Mackrow is a New York company with a principal business address of 83 Bay 28th Street, 2nd Floor, Brooklyn, New York 11214.

IV. FINDINGS OF FACT

4. On or about April 8, 2014, Respondent Cucinella, acting on behalf of himself and Respondent Mackrow, cold-called a South Carolina resident (“Investor One”), and solicited and then sold what Mackrow termed an investment in Chrysler Corporation’s initial public offering to Investor One.

5. The statement regarding the Chrysler Corporation offering being an initial public offering was false. At the time of the solicitation, Fiat Chrysler Corporation was already a publicly-traded company on the New York Stock Exchange.

6. Further, during the solicitation sale of the security, Respondent Cucinella told Investor One that he was registered to sell securities in South Carolina.

7. A search of the Division's records indicates that neither Respondent Cucinella nor Respondent Mackrow was registered to sell securities in South Carolina at any time during the year 2014.

8. On or about March 14, 2016, Respondent Cucinella, acting on behalf of himself and Respondent Mackrow, cold-called a South Carolina resident ("Investor Two") and solicited and then sold an investment in "the company that makes Raid bug sprays" initial public offering to Investor Two.

9. At the time of the solicitation, the statement regarding "the company that makes Raid bug sprays" was false. At that time, S.C. Johnson and Son Incorporated was the manufacturer of the Raid bug spray product line and was not involved in conducting an initial public offering.

10. Respondent Cucinella told Investor Two that he was registered to sell securities in South Carolina.

11. A search of the Division's records indicates that neither Respondent Cucinella nor Respondent Mackrow were registered to sell securities in South Carolina at any time during the year 2016.

V. CONCLUSIONS OF LAW

12. During each of the transactions above, Respondent Cucinella acted as a broker-dealer agent as defined by S.C. Code Ann. § 35-1-102 (2).

13. During the transactions above, Respondent Cucinella was not registered as a broker-dealer agent as required S.C. Code Ann. § 35-1-401.

14. During each of the transactions above, Respondent Mackrow acted as a broker-dealer as defined by S.C. Code Ann. § 35-1-102 (4).

15. During each of the transactions above, Respondent Mackrow was not registered as a broker-dealer as required S.C. Code Ann. § 35-1-401.

16. The Respondents sold securities in this State while they were unregistered in violation of S.C. Code Ann. § 35-1-401.

17. In connections with the offers and sales of securities above, the Respondents, further: (1) employed a scheme, device, or artifice to defraud; (2) made untrue statements of material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; and (3) engaged in an act, practice, or course of business that operated as a fraud or deceit upon another person, in violation of S.C. Code Ann. §35-1-501.

18. The Respondents' violations of the Act set forth above provide the basis for this Order, pursuant to S.C. Code Ann. §35-1-604(a)(1).

19. This Order is in the public interest.

VI. ORDER

Pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. Respondent **John N. Cucinella** and every entity owned, operated, or indirectly or directly controlled by or on behalf of Respondent Cucinella, and every control person, agent, servant and employee of Respondent Cucinella **CEASE AND DESIST** from transacting business in this State in violation of the Act; and
- b. Respondent **Mackrow Asset Management Group** and every entity owned, operated, or indirectly or directly controlled by or on behalf of Respondent Mackrow, and every successor, affiliate, control person, agent, servant and employee of Respondent Mackrow **CEASE AND DESIST** from transacting business in this State in violation of the Act; and

- c. Respondent Cucinella pay a civil penalty in the amount of forty thousand dollars (\$40,000.00) if this Order becomes effective by operation of law, or, if Respondent Cucinella seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000.00 for each violation of the Act by Respondent Cucinella and the actual cost of the investigation or proceeding; and
- d. Respondent Mackrow pay a civil penalty in the amount of forty thousand dollars (\$40,000.00) if this Order becomes effective by operation of law, or, if Respondent Mackrow seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000.00 for each violation of the Act by Respondent Mackrow and the actual cost of the investigation or proceeding.

IT IS FURTHER ORDERED that, pursuant to S.C. Code Ann. § 35-1-604(a)(2) and (3), any exemption from registration with the Division that either Respondent may claim to rely upon under S.C. Code Ann. §§ 35-1-201(3)(C), (7), or (8); 35-1-202; 35-1-401(b)(1)(D) or (F); or 35-1-403(b)(1)(C), is **PERMANENTLY REVOKED**.

VII. NOTICE OF OPPORTUNITY FOR HEARING

The Respondents are hereby notified that they each have the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Wanda Ealy, within thirty (30) days after the date of service of this Order, a written Answer specifically requesting a hearing. If a Respondent files an answer requesting a hearing, the Division, within fifteen (15) days after receipt of a request in a record from that Respondent, will schedule a hearing for that Respondent.

Failure by a Respondent to file or, if represented, to have filed on his or her behalf, a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure of a Respondent to request a hearing shall result in this Order, including any stated civil penalty and any assessed costs, becoming final as to that Respondent by operation of law.

This Order does not prevent the Division, or any other agency, including, without limitation, civil and criminal law enforcement agencies, from seeking additional civil or criminal remedies that are available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

ENTERED, this the 21st day of September, 2018.

ALAN WILSON
SECURITIES COMMISSIONER

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND
AFFIDAVIT OF COMPLIANCE
File Number 20183352

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated September 21, 2018, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

John N. Cucinella and Mackrow Asset Management Group
83 Bay 28th Street, 2nd Floor
Brooklyn, New York 11214

Document(s): Order to Cease and Desist

Mailed September 21, 2018 from Columbia, South Carolina.

I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By: Wanda Ealy
Wanda Ealy
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-4731

Subscribed and sworn to before me on
this 21st day of September, 2018.

Sue H. Ballington
Notary Public for South Carolina

My commission expires: 6-29-21



Handwritten text at the top of the page, possibly a header or title, which is mostly illegible due to fading and noise.

Handwritten text in the upper middle section of the page, appearing to be a list or set of instructions.

A block of handwritten text in the middle section of the page, containing several lines of illegible script.

Handwritten text in the lower middle section, possibly a signature or a specific instruction.

Handwritten text in the lower section of the page, appearing to be a concluding statement or a date.

Handwritten text in the lower section, possibly a signature or a specific instruction.

