

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

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ARKANSAS SECURITIES DEPT

**IN THE MATTER OF:
MACKROW ASSET MANAGEMENT GROUP AND
JOHN N. CUCINELLA**

**CASE NO. S-18-0077
ORDER NO. S-18-0077-18-OR01**

CEASE AND DESIST ORDER

On July 16, 2018, the Staff of the Arkansas Securities Department (“Staff”) filed its Request for a Cease and Desist Order (“Request”), stating that it has information and certain evidence that indicates Mackrow Asset Management Group (“Mackrow”) and John N. Cucinella (“Cucinella”) have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. § 23-42-101 through § 23-42-509. The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request and based upon representations made therein, finds that:

FINDINGS OF FACT

The Staff’s Request asserts the following representations of fact:

1. Mackrow is located at 83 Bay 28th Street, 2nd Floor, Brooklyn, New York. Mackrow holds itself out to the public as a broker-dealer. Mackrow is not registered with the Arkansas Securities Department (“Department”) or any other state or federal securities administrator in any capacity.
2. Cucinella is a resident of Brooklyn, New York. Cucinella is listed as an investment manager for Mackrow. Cucinella has not been registered with the Department in any capacity since 1997. In addition, Cucinella has not been registered with any state or federal securities administrator in any capacity since April 20, 2015.

3. On or about May 15, 2015, Cucinella sent a letter on behalf of Mackrow to an Arkansas resident (“AR1”). A copy of this letter is attached to the Staff’s Request as “Exhibit 1”. In this letter it is clear that Mackrow and Cucinella are offering services as a broker-dealer and agent of a broker-dealer to AR1.

4. On May 17, 2015, AR1 signed a Mackrow new account form. A copy of this new account form is attached to the Staff’s Request as “Exhibit 2”. On this new account form AR1 provided standard suitability information concerning AR1’s net worth, income, investment objectives and risk tolerance.

5. On or about May 18, 2015, AR1 sent a check in the amount of \$2,000 to Mackrow and Cucinella. A copy of this check is attached to the Staff’s Request as “Exhibit 3”.

6. On or about May 4, 2015, Mackrow and Cucinella sold AR1 60 shares of Nationwide Protection 5 Star Fund. A copy of the Mackrow Trade Confirmation form is attached to the Staff’s Request as “Exhibit 4”.

7. On or about December 10, 2015, Cucinella sent a letter on behalf of Mackrow to AR1. A copy of this letter is attached to the Staff’s Request as “Exhibit 5”. Again, in this letter it is clear that Mackrow and Cucinella are offering services as a broker-dealer and agent of a broker-dealer to AR1.

8. On or about December 10, 2015, AR1 sent a check in the amount of \$1,500 to Mackrow and Cucinella. A copy of this check is attached to the Staff’s Request as “Exhibit 6”.

9. AR1’s monthly account statement dated January 1, 2016, which is attached to the Staff’s Request as “Exhibit 7”, indicates that Mackrow and Cucinella purchased 550 shares or units of Torpid Growth Rate Hike Fund for AR1. In addition, said statement reflects that Mackrow and/or Cucinella received service fees or commissions for this sale of securities.

10. Cucinella held himself out to the public as the president and CEO of Mackrow.

11. Mackrow and/or Cucinella did not register or obtain any exemption from registration from the Department or the United States Securities and Exchange Commission for any of the securities it or he offered and/or sold to AR1.

12. Mackrow and Cucinella did not file any paperwork necessary for any of the securities it or he offered and sold to AR1 to be recognized as covered securities under any federal securities statute or the Act.

CONCLUSIONS OF LAW

13. The shares of stock offered and sold by Mackrow and Cucinella to AR1 were securities as defined by Ark. Code Ann. § 23-42-102(17)(A)(ii).

14. Mackrow and Cucinella violated Ark. Code Ann. § 23-42-301(a), when it and he sold securities to AR1 on multiple occasions without being registered with the Department in any capacity.

15. Mackrow and Cucinella did not properly register any securities, file for any exemption, or make any notice filing concerning any covered security with the Department regarding the securities offered and sold from Arkansas to AR1.

16. The offer and sale of unregistered and non-exempt securities by Mackrow and Cucinella to AR1 constitute multiple violations of Ark. Code Ann. § 23-42-501 by Mackrow and Langston.

17. Pursuant to Ark. Code Ann. § 23-42-209, whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule or order under the Act, the Commissioner may summarily order the person to

cease and desist from the act or practice. The conduct, acts, and practices of Mackrow and Cucinella threaten immediate and irreparable public harm. Based on the Findings of Fact and Conclusions of Law, this Cease and Order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-42-209.

ORDER

IT IS THEREFORE ORDERED that Mackrow and Cucinella immediately CEASE AND DESIST from offering and/or selling securities in Arkansas until it and he are properly registered and the securities are properly registered or exempted under the Arkansas Securities Act with the Department.

A hearing on this Order shall be held if requested by Mackrow and/or Cucinella in writing within thirty (30) days of the date of the entry of this Order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, Arkansas 72201

If no hearing is requested and none is ordered by the Commissioner, this Order will remain in effect until it is modified or vacated by the Commissioner. *See* Ark. Code Ann. § 23-42-209(a)(2).



B. Edmond Waters
Arkansas Securities Commissioner

Aug 16, 2018
Date