

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
Telephone: (973) 504-3600

IN THE MATTER OF:

ERIC J. BRUNO; and
MIRAKILL BRANDS, LLC,

Respondents.

SUMMARY ORDER

Pursuant to the authority granted to Christopher W. Gerold, Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the New Jersey Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -83, (“Securities Law”) and regulations thereunder, and based upon documents and information obtained during an investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Penalty and Cease and Desist Order against Eric J. Bruno (“Bruno”) and MiraKill Brands, LLC (“Mirakill”) (collectively, the “Respondents”).

SUMMARY

Between July 2013 and at least June 2014, Bruno and Mirakill, through Bruno, sold approximately \$137,000 of unregistered Mirakill securities to at least eight investors, including at least seven New Jersey residents. Bruno represented to investors that Mirakill was a start-up business that would be developing an improved, proprietary antimicrobial additive designed to prevent the growth of harmful microorganisms with industrial uses including plastics, paints, and filters. Bruno and Mirakill, through Bruno, also represented to investors in marketing materials, including a private placement memorandum (the “Mirakill PPM”), that their funds would be used

for business purposes. Instead, Bruno used at least \$82,000 of investors' funds for his personal expenses, including cash withdrawals, limousine service, dining, and at least \$8,700 in charges at a "gentleman's club."

Accordingly, the Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

Respondents

1. Eric J. Bruno, residing in River Vale, New Jersey, was the President of Mirakill from at least July 2013 to June 2014 (the "Relevant Period"). Bruno has never been registered with the Bureau in any capacity.

2. Mirakill was a Nevada limited liability company formed on July 1, 2013 and dissolved on June 12, 2014 with offices located at 184 Central Avenue, Old Tappan, New Jersey. BBA Enterprises LLC ("BBA") was the managing member of Mirakill. BBA was a Delaware limited liability company formed on June 12, 2012. Bruno was the President of BBA and owned a 51% stake in the company. Bruno cancelled BBA's limited liability registration with the Delaware Secretary State on June 10, 2014.

3. Mirakill purported to be a start-up business that would be developing an improved, proprietary antimicrobial additive designed to prevent the growth of harmful microorganisms with industrial uses including plastics, paints, and filters (the "Mirakill Product").

Offer and Sale of Unregistered Mirakill Securities

4. During the Relevant Period, Respondents offered and sold unregistered securities in the form of membership interests and warrants to buy membership interests in Mirakill. Each

membership interest and warrant to buy a membership interest in Mirakill was sold as one “unit” (the “Mirakill Securities”).

5. Respondents raised approximately \$137,000 from the sale of the unregistered Mirakill Securities to at least seven New Jersey residents.

6. The Mirakill Securities are securities as defined in N.J.S.A. 49:3-49(m) of the Securities Law and were required by N.J.S.A. 49:3-60 to be registered with the Bureau, federally covered, or exempt from registration.

7. The Mirakill Securities were not registered with the Bureau, “federally covered” or otherwise exempt from registration.

8. In or about September or October 2013, Respondents, along with two other officers of Mirakill, held an event for prospective Mirakill investors. Approximately 30 to 40 individuals attended. During the event, Bruno provided an overview of the Mirakill Product to the prospective investors, as well as its potential applications, and discussed the amount of funds that would be required to bring the Mirakill Product to market. After the event, several of the attendees purchased the Mirakill Securities.

9. Mirakill’s investors were provided the Mirakill PPM describing the Mirakill Securities, the nature of Mirakill’s business, risks, executives, consultants, projected revenues, use of funds, and other material information that would be useful to investors.

10. Mirakill investors were also provided a subscription agreement (“Interest Purchase Agreement”) to sign that was an exhibit to the Mirakill PPM. The Interest Purchase Agreement confirmed that they had been provided a copy of the PPM and that their investment decision was based on the information contained in the Mirakill PPM. Bruno countersigned the Interest Purchase Agreements as President of Mirakill.

11. In addition to countersigning the Interest Purchase Agreement, Bruno personally met with certain investors, received and deposited investment checks, and received wire transfers into accounts that he controlled.

Misuse of Investor Funds

12. Investor funds were deposited or wired into an account ending in 1735 held in the name of Mirakill Brands, LLC at Oppenheimer & Co., Inc. (the “Mirakill Account”). The Mirakill Account was opened on August 27, 2013. Bruno and another officer of Mirakill were the only authorized signatories.

13. Bruno and Mirakill, through Bruno, made material misstatements of fact to investors through the Mirakill PPM, which stated investor funds would be used for:

- a. administrative uses, including office space, salaries, and professional fees;
- b. production of the Mirakill Product, including purchases of raw materials, deposits, packaging, and other direct production costs; and
- c. other business uses including intellectual property registration, working capital, research and development, and marketing of the Mirakill Product.

14. Contrary to the statements in the Mirakill PPM, and without disclosure to Mirakill investors, Bruno used investors’ funds for his own personal expenses and entertainment.

15. Bruno misused at least \$82,000 of investor funds. The misuse of investor funds from the Mirakill Account included:

- a. Cash withdrawals at ATMs totaling \$28,148;
- b. Automobile lease and insurance payments totaling \$1,500;
- c. Debit card charges at restaurants, liquor stores, and grocery stores totaling \$19,388;
- d. Debit card charges at a New York “gentleman’s club” totaling \$7,134;
- e. Limousine services totaling \$2,222.18;

- f. Pharmacy, gas station, and convenience store purchases totaling \$1,033; and
 - g. Clothing and dry cleaning expenses totaling \$2,333.
16. Bruno also transferred approximately \$21,000 from the Mirakill Account to BBA's bank account at Wells Fargo ending in 5247, which he misused as follows:
- a. Debit card purchases at the same New York "gentleman's club" totaling \$1,649;
 - b. Cash withdrawals from ATMs and counter withdrawals totaling \$18,108; and
 - c. Debit card charges for other personal expenses including restaurant meals, limousine services, gasoline, and dry cleaning.

CONCLUSIONS OF LAW

BRUNO AND MIRAKILL, THROUGH BRUNO, MADE UNTRUE STATEMENTS OF MATERIAL FACT OR OMITTED TO STATE MATERIAL FACTS NECESSARY IN ORDER TO MAKE THE STATEMENTS MADE, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING, IN VIOLATION OF N.J.S.A. 49:3-52(b)

17. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

18. Bruno and Mirakill, through Bruno, made untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading to investors in connection with the offer and sale of securities.

19. Each omission or materially false or misleading statement constitutes a violation of N.J.S.A. 49:3-52(b).

20. Each violation of N.J.S.A. 49:3-52(b) is a separate violation of the Securities Law and is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

**BRUNO AND MIRAKILL SOLD UNREGISTERED SECURITIES IN VIOLATION OF
N.J.S.A. 49:3-60**

21. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

22. Bruno and Mirakill, through Bruno, offered and sold securities that were not registered with the Bureau.

23. The Mirakill Securities were required to be registered with the Bureau, federally covered, or exempt from registration pursuant to N.J.S.A. 49:3-60.

24. Each offer or sale of unregistered securities constitutes a violation of N.J.S.A. 49:3-60 and is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1

**BRUNO ACTED AS AN AGENT WITHOUT REGISTRATION IN VIOLATION OF
N.J.S.A. 49:3-56(a)**

25. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

26. Bruno acted as an agent, as defined under N.J.S.A. 49:3-49(b), in effecting or attempting to effect transactions in Mirakill Securities from and in New Jersey.

27. Bruno was not registered with the Bureau as an agent of Mirakill.

28. Bruno violated N.J.S.A. 49:3-56(a), which provides, among other things, that only persons registered with the Bureau may lawfully act as agents.

29. Each sale by Bruno to investors constitutes a violation of N.J.S.A. 49:3-56(a) and is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

**MIRAKILL EMPLOYED AN UNREGISTERED AGENT IN VIOLATION OF N.J.S.A.
49:3-56(h)**

30. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

31. Mirakill employed Bruno to act as an agent, as defined under N.J.S.A. 49:3-49(b), to attempt to effect transactions in securities in or from New Jersey.

32. Mirakill's conduct constituted employing an agent who was not registered with the Bureau in violation of N.J.S.A. 49:3-56(h).

33. Each violation of N.J.S.A. 49:3-56(h) is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

THEREFORE, it is on this 23rd day of May 2018, **ORDERED** that:

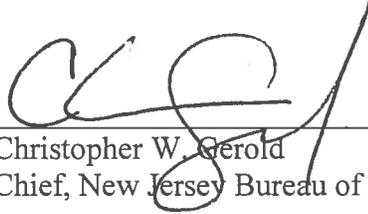
34. Eric J. Bruno and Mirakill Brands, LLC shall **CEASE AND DESIST** from violating the Securities Law as described in the findings above and any further violations of the Securities Law;

35. Eric J. Bruno and Mirakill Brands, LLC are jointly and severally assessed and liable to pay civil monetary penalties in the amount of \$100,000 pursuant to N.J.S.A. 49:3-70.1, for the violations of the Securities Law described in this Order, which is immediately due and payable.

36. Payment of civil monetary penalties shall be made by certified check, bank check, or an attorney trust account check, payable to "State of New Jersey, Bureau of Securities," and delivered to the Bureau at 153 Halsey Street, 6th Floor, Newark, NJ 07102, to the attention of the Bureau Chief. The civil monetary penalty payments shall be deposited in the Securities Enforcement Fund, pursuant to N.J.S.A. 49:3-66.1.

37. Eric J. Bruno and Mirakill Brands, LLC are **DENIED** all exemptions contained in paragraphs 9, 10, and 11 of N.J.S.A. 49:3-50(a) and all exemptions contained in N.J.S.A. 49:3-50(b);

38. The exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b) N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are **REVOKED** as to Eric J. Bruno and Mirakill Brands, LLC.

A handwritten signature in black ink, appearing to read 'CW Gerold', is written over a horizontal line. The signature is stylized and cursive.

Christopher W. Gerold
Chief, New Jersey Bureau of Securities

NOTICE OF RIGHT TO HEARING

You are advised that upon service of notice of this Summary Order issued by the Bureau Chief, Respondents shall have up to twenty (20) days to respond to the Bureau in the form of a written answer and written request for a hearing. A request for a hearing must be accompanied by a written response, which addresses specifically each of the reasons set forth in the Order which formed the basis for its entry. A general denial is unacceptable. Within five (5) business days of receiving the written answer and request for a hearing, the Bureau Chief shall either transmit the matter to the Office of Administrative Law for a hearing, or schedule a hearing at the Bureau of Securities. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney. If an applicant fails to respond by filing a written answer and request for a hearing with the Bureau within the twenty (20) day prescribed period, the Order shall become a final order and remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.