

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
153 Halsey Street, 6th Floor
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF: :

JAMES R. TROLICE d/b/a TROLICE CONSULTING :
and TROLICE CONSULTING SERVICES, LEE : **SUMMARY AND CEASE**
VACCARO, VACCARO CONSULTANT, LLC, : **AND DESIST ORDER**
VACARO CONSULTANTS, LLC, TROLICE :
CONSULTING SERVICES, LLC, and :
PATRICK G. MACKARONIS (CRD No. 5435817) :

Pursuant to the authority granted to Laura H. Posner, the Chief of the New Jersey Bureau of Securities (“Bureau Chief”), by the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. (“Securities Law”), more specifically, N.J.S.A. 49:3-52(a), N.J.S.A. 49:3-52(b), N.J.S.A. 49:3-52(c), N.J.S.A. 49:3-56, N.J.S.A. 49:3-60, N.J.S.A. 49:3-69 and N.J.S.A. 49:3-70.1, and after investigation, review, and due consideration of the facts obtained by the New Jersey Bureau of Securities (“Bureau”) and the statutory provisions set forth below, the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary and Cease and Desist Order against James R. Trolice d/b/a Trolice Consulting and Trolice Consulting Services, Lee Vaccaro, Vaccaro Consultant, LLC, Vacaro Consultants, LLC, Trolice Consulting Services, LLC, and Patrick G. Mackaronis (collectively, “Respondents”), and makes the following findings:

FINDINGS OF FACT

Respondents

1. James R. Trolice (“Trolice”), residing in Alpine, New Jersey between approximately March 2010 through at least September 2013 (“Relevant Period”), is the President of Trolice Consulting Services, LLC (“TCS”) and oversees the entirety of TCS’s business. Trolice also conducts business as Trolice Consulting and Trolice Consulting Services. Trolice has never been, and is not now registered with, the Bureau in any capacity.

2. TCS is a New Jersey limited liability company formed on or around January 24, 2005, with its principal place of business during the Relevant Period at 32 Graham Street, Alpine, New Jersey 07620. TCS is controlled exclusively by Trolice.

3. Lee Vaccaro (“Vaccaro”) is a resident of Las Vegas, Nevada. Vaccaro formed and controlled numerous Nevada limited liability companies including, but not limited to: (1) Beau Monde, Inc.; (2) Vaccaro Consultants, LLC; (3) Vaccaro Consultant, LLC; (4) Vacaro Consultants, LLC; and (5) BCD2000, LLC (collectively, the “Vaccaro Entities”). Vaccaro has never been registered with the Bureau in any capacity.

4. Vaccaro Consultant, LLC (“Vaccaro Consultant”) is a Nevada limited liability company formed on or around March 3, 2010.

5. Vacaro Consultants, LLC (“Vacaro Consultants”) is a Nevada limited liability company formed on or around May 12, 2010. Vacaro Consultants is controlled exclusively by Vaccaro.

6. Patrick G. Mackaronis (“Mackaronis”), Central Registration Depository (“CRD”) No. 5435817, is a resident of New York, New York and was, between March 2013 and

November 2013, a resident of Jersey City, New Jersey. Mackaronis was registered with the Bureau as an agent with Wells Fargo Advisors LLC, CRD No. 19616, from May 13, 2008 to August 28, 2012. Mackaronis has not been registered with the Bureau since August 28, 2012.

Relevant Non-Party

7. eAgency Inc. (“eAgency”) is a Delaware corporation formed on or about June 15, 2000 with its principal place of business at 6 Upper Newport Plaza, Newport Beach, California. eAgency is a technology company that purports to offer mobile security applications for smartphones. As set forth below, eAgency engaged Trolice and Vaccaro through their companies as consultants.

8. Beau Monde, Inc. (“Beau Monde”), BCD2000, LLC (“BCD2000”), and Vaccaro Consultants, LLC (“Vaccaro Consultants”) are Vaccaro Entities that were involved in the scheme described herein, but whose membership interests were not sold to investors.

Summary of Respondents’ Scheme

9. During the Relevant Period, Trolice and Vaccaro—and eventually Mackaronis—through TCS and the Vaccaro Entities, orchestrated a fraudulent scheme involving the offer and sale of millions of dollars of unregistered securities in the form of limited liability company (“LLC”) membership interests in TCS (the “TCS Securities”), Vaccaro Consultant, and Vaccaro Consultants (the “Vaccaro Securities”).

10. Specifically, during the Relevant Period, Respondents sold at least \$3,600,000 in unregistered securities to at least 170 unsuspecting investors, 161 of whom were either New Jersey residents or sold to from New Jersey, by fabricating documents to, among other things, falsely represent to investors that Vaccaro Consultant, Vaccaro Consultants, Vaccaro Consultants,

BCD2000 and TCS owned millions of dollars' worth of warrants to purchase stock in eAgency (the "eAgency Warrants").

11. In reality, fewer than half of the eAgency Warrants documented in the materials provided to investors ever existed. Those eAgency Warrants that did exist were neither exercisable, since they had not vested, nor transferable, as TCS and the Vaccaro Entities never requested permission or received the necessary approval from eAgency.

12. Trolice also repeatedly misrepresented to investors the amounts he was raising from the offer and sale of the TCS Securities. For example, Trolice routinely told investors that he was raising a certain fixed amount per "round," but then, unbeknownst to investors, subsequently raised far more than this amount, significantly diluting their investment.

13. Trolice targeted unsophisticated, non-accredited investors—who he knew or recklessly disregarded would not otherwise be eligible to invest in eAgency—for the scheme and then made fraudulent guarantees that the Vaccaro Securities and TCS Securities would generate returns between five to 30 times the original investments within six to 18 months.

14. Trolice also generated a false sense of opportunity and urgency around the offer and sale of the TCS Securities by framing the investment as a one-time opportunity that was typically only available to insiders and wealthy individuals, as well as one that was only available on a limited basis for a limited period of time due to the purported small number of eAgency Warrants available.

15. Similarly, to make the investment opportunity appear credible to investors, Trolice touted his and Vaccaro's insider association with eAgency and hosted investment "webinars" and expensive investor parties at Trolice's opulent mansion in Alpine, New Jersey.

16. Finally, despite representing to investors that TCS and certain Vaccaro Entities held hundreds of thousands of eAgency Warrants in excess of what they actually held, Trolice and Vaccaro failed to maintain the requisite funds necessary to exercise the limited eAgency Warrants they actually did hold. Instead, Trolice and Vaccaro spent virtually all of the money raised from investors on their own personal expenses.

I. Trolice's and Vaccaro's Roles at eAgency

a. Trolice

17. From approximately May 2006 through December 2013, eAgency intermittently retained TCS, through Trolice, as a consultant and/or “finder.”

18. As a consultant, TCS through Trolice provided marketing and sales consulting services to eAgency.

19. As a “finder,” TCS through Trolice was responsible for identifying and introducing potential investors to eAgency. However, eAgency prohibited TCS from soliciting prospective eAgency investors or participating in any general solicitation activities. TCS through Trolice referred potential investors to eAgency, who in turn purchased eAgency securities totaling more than \$1.5 million.

b. Trolice's eAgency Warrants

20. eAgency occasionally granted eAgency Warrants to TCS in exchange for, among other things, identifying investors. These eAgency Warrants had fixed expiration dates and conditions restricting their transfer.

21. The pertinent provision relating to the restrictions on transferability states, in part:

This Warrant and the Shares issuable upon exercise of this Warrant ... may not be transferred or assigned in whole or in part without

compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to [eAgency]...).

22. The eAgency Warrants also bore a restrictive legend on the first page:

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR PURSUANT TO RULE 144 OR AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

23. From October 16, 2007 to April 12, 2010, a total of thirteen valid and exercisable eAgency Warrants were issued to TCS (the “Trolice Warrants”). Cumulatively, the Trolice Warrants represented the right to purchase 176,499 shares of eAgency common stock.

24. The Trolice Warrants’ expiration dates ranged from October 16, 2013 through April 12, 2014. None of the Trolice Warrants were exercised before they expired.

25. Certain other eAgency Warrants issued to TCS expired, without ever having vested, once eAgency terminated TCS’s consultant engagement prior to the vesting date.

26. Specifically, eAgency terminated TCS’s consultant engagement three times—on January 31, 2007, August 29, 2007, and March 11, 2012—resulting in the automatic expiration of eAgency Warrants issued to TCS on November 1, 2006, June 14, 2007, and April 20, 2011, respectively. These eAgency Warrants were never exercisable.

27. Consequently, TCS and Trolice held no eAgency Warrants after April 12, 2014.

28. As of September 30, 2015, TCS and Trolice's only ownership interest in eAgency stemmed from their one-time purchase on or about June 8, 2007, of 33,911 shares of eAgency common stock for \$50,000.

c. Vaccaro

29. From approximately July 2009 through October 2013, eAgency retained Vaccaro, through two of the Vaccaro Entities—Vaccaro Consultants and Beau Monde—as a consultant and/or “finder.”

30. In the role as consultant for eAgency, Vaccaro initially held the eAgency title of Chief Marketing Officer. Beginning in 2011, Vaccaro held the eAgency title of Vice President of Investor Relations.

d. Vaccaro's eAgency Warrants

31. From approximately January 1, 2010 to July 18, 2011, eAgency issued two eAgency Warrants to Vaccaro Consultants, collectively granting Vaccaro Consultants the right to purchase a total of 340,000 shares of eAgency common stock (“Vaccaro Consultants Warrants”) at \$1.25 per share.

32. The Vaccaro Consultants Warrants vested in equal 25% installments over four years, beginning on August 1, 2010, and had a fixed expiration date of August 1, 2019.

33. The Vaccaro Consultants Warrants included the same restrictions on transferability as the Trolice Warrants, as described above in ¶¶ 21-22.

34. On or about July 25, 2012, at Vaccaro's request, eAgency cancelled the Vaccaro Consultants Warrants and re-issued them to Beau Monde (“BM Warrants”) under a new consulting agreement.

35. Then, on or about November 25, 2013, at Vaccaro's request, eAgency re-issued virtually all of the BM Warrants—providing the right to purchase 320,000 of the 340,000 shares of eAgency common stock—to an individual that previously invested directly in eAgency.

36. Thus, as of November 25, 2013, Beau Monde retained only the right to purchase 20,000 shares of eAgency common stock. As of September 30, 2015, Beau Monde has not exercised this right.

37. Aside from the remaining BM Warrants held by Beau Monde, no Vaccaro Entities held any vested and exercisable eAgency Warrants.

38. Ultimately, on or around October 4, 2013, eAgency terminated its engagement of Vaccaro and Vaccaro Consultants because Vaccaro had been acting as a broker without a license in securities transactions, which exceeded the authority eAgency granted him.

II. The Offer and Sale of the Vaccaro Securities

39. Between approximately March 2010 and July 2011, Trolice and Vaccaro raised at least \$670,000 from the offer and sale of securities in the form of the Vaccaro Securities to twenty investors (the "Vaccaro Securities Investors"), including at least eleven New Jersey residents.

40. The Vaccaro Securities were issued by two distinct but similarly named Vaccaro Entities controlled by Vaccaro. Although the Vaccaro Securities were sold to different groups of investors, Vaccaro disregarded the issuer entities' corporate form and commingled the issuer entities' assets with other Vaccaro Entities. Further, the contemporaneous offer and sale of membership interests to the Vaccaro Securities Investors, in the two distinct but similarly named Vaccaro Entities, were purportedly backed by eAgency Warrants that did not exist.

41. The two Vaccaro Entities—Vaccaro Consultant and Vacaro Consultants—never held, nor had been issued, any eAgency Warrants.

42. Although Vaccaro Securities Investors purchased membership interests in different Vaccaro Entities, the Vaccaro Securities Investors were all provided a nearly identical set of fabricated offering documents, as explained in ¶ 44 below.

a. Materially False and Misleading Statements Made and Material Facts Omitted in Connection with the Offer and Sale of the Vaccaro Securities

43. In connection with the offer and sale of the Vaccaro Securities, Vaccaro and Trolice, as well as Vaccaro Consultant and Vacaro Consultants through Trolice and Vaccaro, made untrue material statements to and omitted material facts from prospective and actual Vaccaro Securities Investors through, among other methods, offering documents referenced in ¶44, and emails.

44. Specifically, Vaccaro, Trolice and Vaccaro Consultant and Vacaro Consultants through Trolice and Vaccaro made false representations to Vaccaro Securities Investors, through falsified or otherwise misleading offering documents, that included:

- a. a “Sale of LLC Interest Agreement,” dated April 1, 2010, a Warrant Subscription Agreement dated January 1, 2010, and a Warrant to Purchase Stock provided to certain Vaccaro Securities Investors in 2010, that falsely represented that Vaccaro Consultant had been issued and held good and marketable title to eAgency Warrants granting it the right to purchase 250,000 shares of eAgency common stock;
- b. a “Sale of LLC Interest Agreement,” dated June 4, 2010, a Warrant Subscription Agreement bearing no date, and a Warrant to Purchase Stock

provided to certain other Vaccaro Securities Investors in 2010, that falsely represented that Vacaro Consultants had been issued and held good and marketable title to eAgency Warrants that granted it the right to purchase 250,000 shares of eAgency common stock; and

- c. a Warrant Subscription Agreement dated May 17, 2011 and an “Amendment to Sale of LLC Agreement,” dated May 24, 2011 provided to certain Vaccaro Securities Investors in 2011, which falsely represented that Vaccaro Consultant acquired an additional eAgency Warrant granting it the right to purchase 50,000 shares of eAgency common stock.

45. These representations were false and misleading because neither Vaccaro Consultant nor Vacaro Consultants were ever issued any eAgency Warrants.

46. In connection with the sale of the Vaccaro Securities, Trolice also sent emails to Vaccaro Securities Investors in which he also made false statements relating to the likelihood of a liquidity event and the return on investment, including:

- a. on May 6, 2010, Trolice falsely represented in writing to a Vaccaro Securities Investors that eAgency would achieve “a liquidity event within 12-18 months if not sooner”; and
- b. on May 10, 2010, Trolice falsely represented in writing to a Vaccaro Securities Investors, “GET YOUR CLOSEST FRIENDS AND FAMILY AS WE WILL ALL ENJOY THE 10X RETURN VERY SOON.”

47. These statements were false because Trolice possessed no information suggesting that eAgency would achieve an imminent liquidity event, and he also had no basis to value eAgency.

48. Vaccaro and Trolice omitted to disclose that the State of Nevada revoked the status of Vacaro Consultants as a limited liability company because neither Trolice nor Vaccaro obtained a State Business License for it.

49. In addition, Vaccaro and Trolice omitted to disclose that they would not maintain sufficient funds to exercise the eAgency Warrants they falsely claimed Vaccaro Consultant and Vacaro Consultants held. In order to pay the strike price to exercise the 300,000 eAgency Warrants Vaccaro claimed Vaccaro Consultant held, Vaccaro and Trolice would have needed to maintain at least \$375,000. In order to pay the strike price to exercise the 250,000 eAgency Warrants Vaccaro claimed Vacaro Consultants held, Vaccaro and Trolice would have needed to maintain at least \$312,500.

50. However, rather than maintain at least \$687,500 of investor funds for this purpose, Vaccaro and Trolice used investor funds for their personal expenses. Specifically, Vaccaro and Trolice used more than \$550,000 of Vaccaro Securities Investors' funds for personal use in the following ways:

- a. Vaccaro wired \$165,000 of the \$247,500 in funds received from Vaccaro Securities Investors in April 2010 from a City National Bank account ending in -7165 to Trolice's personal bank account at TD Bank ending -7560 in two installments, where the money was used by Trolice for

personal expenses including, among other things, loan and credit card payments;

- b. Vaccaro wired \$75,000 of Vaccaro Securities Investors' funds to an investment account owned by Vaccaro at Robert W. Baird & Co. in April 2010. The funds were then used to invest in options and to pay for personal expenses;
- c. Vaccaro used \$7,500 of Vaccaro Securities Investors' funds to pay for clothes, electronics and lodging at a California-based resort;
- d. Vaccaro deposited \$67,500 of Vaccaro Securities Investors' funds intended for Vaccaro Consultant into a Vaccaro Consultants' bank account ending in -1091 whereby it was withdrawn by Vaccaro as cash or used to pay for his personal expenses; and
- e. Vaccaro deposited \$287,500 of Vaccaro Securities Investors' funds intended for Vaccaro Consultants into a BCD2000 bank account ending in -1690, whereby \$208,000 was transferred to Trolice-held bank accounts ending in -6839 and -7560 and used for Trolice's personal expenses and \$70,000 was withdrawn by Vaccaro or used for his personal expenses.

III. The Offer and Sale of the TCS Securities

a. Overview of the TCS Offering and "Rounds"

51. From at least August 2010 through September 2013 (the "TCS Sales Period"), TCS through Trolice, Vaccaro, and beginning in Spring 2011, Mackaronis, raised at least

\$3,000,000 from the offer and sale of the TCS Securities to at least 150 individuals (“TCS Investors”), at least 100 of whom were New Jersey residents.

52. Similar to the Vaccaro Securities, TCS Investors were told the offered LLC membership interests were backed by eAgency Warrants that did not exist.

53. The offer and sale of the TCS Securities consisted of several concentrated periods where money was raised. Although Trolice referred to these concentrated periods of money raising as investment “rounds,” in reality the “rounds” together constituted one continuous offering.

54. The “rounds” were offered as follows:

- a. in or around August 2010 (“First Round”), TCS through Trolice and Vaccaro raised approximately \$300,000 from the offer and sale of the TCS Securities to approximately sixteen investors, including at least eight New Jersey residents (“First Round Investors”);
- b. from approximately November 2010 through January 2011 (“Second Round”), TCS through Trolice and Vaccaro raised approximately \$237,000 from the offer and sale of TCS Securities to approximately thirty investors, including at least fourteen New Jersey residents (“Second Round Investors”);
- c. from approximately February 2011 through May 2011 (“Third Round”), TCS through Trolice, Vaccaro, and Mackaronis raised approximately \$360,000 from the sale of the TCS Securities to approximately thirty

investors, including at least fourteen New Jersey residents (“Third Round Investors”); and

- d. between approximately August 2011 and September 2013 (“Later Rounds”), TCS through Trolice, Vaccaro, and Mackaronis raised at least \$1,117,850 from the offer and sale of the TCS Securities to approximately fifty investors, including at least twenty-five New Jersey residents (“Later Round Investors”).

55. In each purported “round,” Trolice specifically targeted non-accredited investors in the offer and sale of the TCS Securities. For example, on September 23, 2010, Trolice sent the following email to prospective TCS Investors:

TO REITERATE The reason I am doing this is so people who have \$5k or \$10K that they can spare and typically never have been able to get in on something like this DUE TO USUALLY HIGH MINIMUM INVESTMENT CRITERIA now can, due to they WILL BE PART OF THE LLC AND THAT MAKES ME VERY HAPPY AND FEEL GOOD.

56. Similar to the sale of the Vaccaro Securities, TCS, Trolice, Vaccaro and, later, Mackaronis, misrepresented the number and value of the eAgency Warrants that TCS purported to own. For example, on September 21, 2010, Trolice falsely told certain TCS Investors that Vaccaro “[had] in excess of 1m [or one million]” in eAgency Warrants when, in reality, Vaccaro at the time only held a single eAgency Warrant representing the right to purchase 167,079 shares of eAgency common stock.

57. TCS, Trolice, Vaccaro and Mackaronis also falsely told investors that eAgency would imminently be acquired or undergo a liquidity event. For example, on December 21, 2010,

Trolice falsely represented that “...there is no risk to this only when will the liquidity event occur and I say end of 2011 worst case early 2012 :)[.]”

58. TCS, Trolice, Vaccaro and Mackaronis also failed to disclose to TCS Investors that TCS would continue to raise investor funds in new rounds as he sold additional TCS Securities, thereby diluting their ownership interests.

59. In addition, Trolice and TCS through Trolice falsely stated to several TCS Investors that eAgency was no longer taking direct investments and that the only way to participate in this “insider opportunity” was to invest through TCS, since the opportunity was otherwise “no longer available to the private sector.” He further stated that the eAgency Warrants were in short supply and that the opportunity to purchase the TCS Securities in a purported investment round was closing quickly.

60. Contrary to such statements that the opportunity was closing quickly, which were made to prospective and actual TCS Investors on at least twenty occasions during the TCS Sales Period, TCS through Trolice subsequently continued to offer the TCS Securities—purportedly backed by the eAgency Warrants that were in short supply—and accept TCS Investor funds without limitations.

61. Trolice repeatedly made fraudulent guarantees with respect to TCS Investors’ return on investment, guaranteeing them returns between five to 30 times their investment within six to 18 months.

62. Trolice regularly flaunted both his wealth and his purported past successes in driving companies toward liquidity events – e.g., an initial public offering (“IPO”) or

acquisition—in an effort to enhance his credibility. For example, on March 11, 2011, Trolice included the following in an email to a prospective investor:

Lastly, I know you do not know me Peter but I live in a \$10m home (**google map it**) and drive \$200k cars all by performing these functions. **(Invest big in a company, then help raise money for them then drive revenue and run the company)[.]**

63. Trolice and TCS through Trolice also created the illusion among prospective and actual TCS Investors that Trolice was a successful executive. For example, Trolice represented:

- a. in a September 23, 2010 email to certain TCS Investors that Trolice typically achieved a ten to 20 times return on his investment;
- b. in a September 25, 2010 email to certain TCS Investors that Trolice had been involved in taking several companies to an IPO or acquisition and that this was a “lay up” that he had done “5 times very successfully”; and
- c. in an October 3, 2011 email to a TCS Investor that “MY OTHER TWO COMPANIES WERE BOTH IPO’S AND OVER 50X ROI’S:)[.]”

64. Trolice also represented the investment as safe to obtain additional investor funds. For example, on September 12, 2012, a prospective investor wrote to Trolice that the investor wanted to reduce the amount of funds invested because “I’m honestly scared. I work hard for the little I have and I’m honestly afraid to invest.” Trolice responded to that investor that “you will be kicking yourself when this hits :) This is the least risky investment you will ever come across.”

65. In connection with the offer and sale of the TCS Securities, TCS through Trolice compensated Vaccaro in cash transfers and other remuneration, including the use of Trolice’s

American Express (“Amex”) Centurion Card (commonly known as a Black Card) account, for which Vaccaro held his own card.

66. During the Relevant Period, Trolice authorized fluctuating monthly spending limits for Vaccaro’s Amex card, which totaled \$375,000. Vaccaro charged at least \$415,000 to his Amex card (including on multiple trips to Hawaii and at luxury retailers such as Montblanc, Natura Bissé, and Nordstrom). Trolice made the majority of the monthly payments on Vaccaro’s card and often made the payments from the TCS bank account ending in -3618, which held a substantial portion of the investor funds.

67. In connection with the offer and sale of the TCS Securities, TCS through Trolice compensated Mackaronis in cash and at least \$55,000 in money transfers for his participation in the offer and sale of the TCS Securities.

68. The TCS Securities were not registered with the Bureau and were not “federally covered” or exempt from registration.

b. Materially False and Misleading Statements Made and Material Facts Omitted in Connection with the Offer and Sale of the TCS Securities

69. During the TCS Sales Period, TCS, Trolice, Vaccaro, and Mackaronis made untrue statements, omitted material information, and provided misleading information, as well as fabricated offering documents, to TCS Investors.

70. Trolice and Vaccaro, and TCS through Trolice and Vaccaro, provided offering documents to TCS Investors that contained numerous false and misleading statements including, but not limited to, the following:

- a. First Round Investors were provided a “Sale of LLC Interest Agreement,” dated October 26, 2010, which falsely represented that “Trolice

Consulting” would deliver \$300,000 to Vaccaro as the purchase price for Vaccaro Consultants;

- b. First and Later Round Investors were provided documents which falsely stated that the Secretary of State of Nevada had recorded the purported purchase and repurchase of Vaccaro Consultants;
- c. Third Round Investors were provided a “Sale of LLC Interest Agreement,” dated February 15, 2011, which falsely represented that Trolice would deliver “Three Hundred Thousand Dollars (\$340,000) [sic]” as the purchase price for BCD2000;
- d. Third Round Investors were provided offering documents which falsely represented that BCD2000 held good and marketable title to eAgency Warrants representing the right to purchase 100,000 shares of eAgency common stock at an exercise price of \$1.25 per share;
- e. Third Round Investors were provided offering documents which falsely represented that BCD2000 “is not in default under any law or regulation, or under any order of any court or federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality wherever located...”;
- f. Third Round Investors were provided a document which falsely stated that the Secretary of State of Nevada had recorded the purchase of BCD2000;
- g. Later Round Investors were provided various “Amendment to Sale of LLC Agreements,” dated August 1, 2011, November 15, 2011, March 27, 2012,

and July 18, 2012, which falsely represented that Vaccaro Consultants had been issued new eAgency Warrants and that Trolice and Vaccaro possessed a “desire to increase the purchase price” of Vaccaro Consultants by a combined \$2,400,000 as a result of these new eAgency Warrants; and

- h. Later Round Investors were provided several fabricated “Warrant Subscription Agreement[s],” which falsely represented that Vaccaro Consultants had been issued eAgency Warrants representing the right to purchase (i) 100,000 shares of eAgency common stock on July 18, 2011, (ii) 50,000 shares of eAgency common stock on November 1, 2011, (iii) 50,000 shares of eAgency common stock on March 26, 2012, and (iv) 50,000 shares of eAgency common stock on July 6, 2012.

71. Trolice, Vaccaro, Mackaronis, and TCS through Trolice, Vaccaro, and Mackaronis, omitted to disclose material facts to certain TCS Investors, including:

- a. any financial information relating to TCS, eAgency or the Vaccaro Entities;
- b. the risks associated with an investment in TCS or the eAgency Warrants;
- c. the restrictions on transferability and vesting rights associated with the pool of eAgency Warrants that was purportedly being transferred to TCS Investors, or the lack of any vesting rights or rights of transfer;
- d. that at least \$500,000 would be needed to exercise the eAgency Warrants TCS actually held and far more would be needed to exercise all the eAgency Warrants Trolice and Vaccaro purported to hold;

- e. that sufficient funds would not be maintained to pay the strike price to exercise the eAgency Warrants and would instead be used for personal use;
- f. that there was no maximum offering amount and that additional membership interests in TCS would continue to be sold, thereby diluting each TCS Investor's investment;
- g. that eAgency never engaged BCD2000 as a consultant, finder, or in any other capacity, and eAgency never issued any eAgency Warrants to BCD2000;
- h. that BCD2000—the entity that TCS had purportedly purchased on February 15, 2011 and purportedly held eAgency Warrants—was never authorized to commence business operations and was officially revoked by the state of Nevada on April 30, 2011, after being in default for twelve months;
- i. that the various “Warrant Subscription Agreements” provided to First, Third, and Later Round Investors had been fabricated;
- j. that the offering documentation provided to TCS Investors contained a “Warrant Document” that was missing material information, including the actual Warrant to Purchase Stock;
- k. that Vaccaro Consultants—the entity that TCS through Trolice purported to purchase and repurchase five separate times after August 1, 2011— was not issued any eAgency Warrants by eAgency after July 18, 2011;

- l. that neither TCS nor Trolice transferred money corresponding to the total amounts represented in the various “Sale of LLC Interest Agreements” for the purchase of Vaccaro Consultants or BCD2000 to Vaccaro or any of the Vaccaro Entities;
- m. that any eAgency Warrants issued to TCS were set to expire, and indeed did expire, on April 12, 2014, thus leaving TCS and Trolice with zero eAgency Warrants after April 12, 2014;
- n. that Trolice’s only ownership interest in eAgency stemmed from a one-time purchase of 33,911 shares of eAgency common stock for \$50,000 on or about June 8, 2007; and
- o. that Trolice lacked any basis to value eAgency as a company because neither he nor eAgency had ever had a valuation conducted by a third-party accounting or financial advisory firm.

72. Trolice, Vaccaro, Mackaronis, and TCS through Trolice, Vaccaro, and Mackaronis also omitted material information from TCS Investors relating to the use of virtually all the investors’ funds in the following ways:

- a. at least \$2,700,000 commingled with unrelated funds in TCS’s TD Bank account ending in -3618, of which at least \$2,100,000 was used for Trolice’s personal expenses, including, among other things, purchases at luxury retailers Bloomingdale’s, Saks Fifth Avenue, and Neiman Marcus, payments for luxury cars (including BMW and Mercedes-Benz), and over \$1,350,000 in payments to American Express;

- b. at least \$41,000 deposited directly into Trolice's personal bank account ending in -7560 and used for personal expenses;
- c. at least \$550,000 transferred from Trolice's TCS TD Bank account ending in -3618 to his personal TD Bank account ending in -7560 and used for personal expenses, including over \$30,000 per month for several years on mortgage payments on his Alpine mansion and other loan payments;
- d. at least \$200,000 withdrawn as cash from Trolice's TCS and personal TD Bank accounts ending in -3618 and -7560, respectively;
- e. at least \$186,000 transferred to accounts in the name of Vaccaro and certain Vaccaro Entities; and
- f. transferred to Mackaronis' solely-owned consulting firm's bank account.

73. Throughout the TCS Sales Period, TCS and TCS through Trolice also repeatedly made untrue and misleading statements to prospective and actual TCS Investors through email correspondence relating to, among other things: (i) TCS Investors' expected return on investment; (ii) eAgency's purported imminent acquisition or "liquidity" event; (iii) the number of eAgency Warrants in each "round"; (iv) eAgency business developments; (v) Trolice's relationship with eAgency; (vi) Trolice's professional experience; (vii) the TCS Securities offering; and (viii) Trolice's use of TCS Investors' funds.

74. Specifically, Trolice and TCS through Trolice falsely represented to investors and prospective investors that TCS Investors would receive anywhere from 5 to 30 times the return on their investment within a short timeframe. For example, Trolice made the following untrue statements:

- a. in an August 29, 2010 email to certain First Round Investors that eAgency common stock was selling at \$3.04 per share and investors, therefore already “close to doubled [their] money immediately” in purchasing TCS Securities;
- b. in a September 21, 2010 email to certain First Round Investors that they “[would] not make 10x on [their] money, at a minimum, anywhere else” and “[would] be kicking [themselves] in the butt if [they] did not participate”;
- c. in a September 25, 2010 email to certain First Round Investors that they would “quickly” receive “a return of 5x at a minimum on [their] money”;
- d. in a December 21, 2010 email to a Second Round Investor that the CEO of eAgency “is loaded, has helicopter, plane and yacht etc so there is no risk to this only when will the liquidity event occur and I say end of 2011 worst case early 2012”;
- e. in a March 11, 2011 email to a Third Round Investor that that the investment would result in a “minimum 10x RETURN,” that eAgency would achieve a ten times return on investment in “15 MONTHS OR LESS AND I REALLY BELIEVE IT WILL BE 20X PLUS,” and that eAgency would be acquired by the end of [2011] worst case mid [2012];
- f. in a March 24, 2011 email to a Third Round Investor that the Third Round requires a “340k purchase price for the 100k warrants ... and the way to

look at it as we discussed was with 30m shares outstanding and we get acquired for \$300m you have just gotten a 10x return on your money”;

- g. in an April 2, 2011 email to a Third Round Investor that “[t]he point is at a minimum you have made 3x your money and [eAgency] would not sell the company for under \$500m which would give us a value of double digits on the price per share/warrant”;
- h. in an April 23, 2011 email to a Third Round Investor that “[y]ou will get a 15x return in 18 months or less”;
- i. in an October 3, 2011 email to a Later Round Investor that “realistically now that you know me I think [eAgency] is at least a 30x ROI AND AN ACQUISITION NOT IPO WHICH MEANS WE GET OUR MONEY QUICKER BUT LEAVE A LITTLE ON THE TABLE”;
- j. in a December 27, 2011 email to Later Round Investors that “[i]f you have any others interested bring them as well, as this will be a 10 to 30x ROI within 12 months due to Cisco integration in process”;
- k. in a May 26, 2012 email to Later Round Investors that “with Instagram being acquired recently for \$1b by Facebook on no revenue eAgency should command a premium price being they are in the midst of the hottest market segment Mobility with patents and relationships with the biggest of the big!!!! The round is almost closed so please advise IF YOU WANT TO DO A LITTLE MORE as I only have \$100k left? As

you know, I have over \$1m now invested and keep putting in more as this will be significant in my mind, meaning a 20 to 40x ROI”; and

1. in an April 25, 2013 email to a Later Round Investor that the ROI would be significant “at even only 10x.”

75. Throughout the TCS Sales Period, Trolice and TCS through Trolice also made misleading and false representations to prospective and actual TCS Investors relating to the funds Trolice had raised for or invested directly in eAgency. Specifically, Trolice falsely represented to certain TCS Investors in emails that:

- a. Trolice raised over \$3,000,000 for eAgency as of August 2010;
- b. Trolice personally invested \$500,000 in eAgency and was adding an additional \$20,000 as of August 2010;
- c. Trolice personally invested \$500,000 in eAgency as of September 2010;
- d. Trolice had personally invested \$300,000 in eAgency as of April 2011;
- e. Trolice had “put more money in every round and am over \$600k at this point of my own money” as of October 3, 2011;
- f. Trolice had personally invested over \$1,000,000 in eAgency as of May 2012;
- g. Trolice had personally invested over \$1,000,000 in eAgency as of July 2012;
- h. Trolice had raised over \$10,000,000 in investments for eAgency as of July 2012;
- i. Trolice had raised over \$15,000,000 in investments for eAgency as of

September 2012; and

- j. Trolice invested an additional \$100,000 in eAgency as of April 2013.

76. These statements were false because: (i) Trolice only referred potential investors to eAgency who then purchased securities from eAgency totaling \$1,523,286, and (ii) in total, Trolice only personally invested \$50,000 in eAgency in exchange for 33,911 shares of eAgency common stock.

77. Similarly, in emails, Trolice made untrue statements relating to his longstanding relationship with eAgency and his role in driving the company towards success. For example,

- a. in a December 21, 2010 email to a Second Round Investor, Trolice falsely represented that he had “put a team of industry experts from Goldman [Sachs] in place to drive revenue for them to really enhance the acquisition offer”;
- b. in a March 11, 2011 email to a Third Round Investor, Trolice falsely represented that he would “be assuming the CEO role within the next 30-90 days, but please keep this confidential”; and
- c. in a July 3, 2012 email to a Later Round Investor, Trolice falsely stated that he was an eAgency board member.

78. Throughout the TCS Sales Period, Trolice and TCS through Trolice also made materially false statements in emails to TCS Investors relating to eAgency Warrants that were purportedly held or acquired by Vaccaro and TCS. For example, Trolice falsely represented:

- a. in an August 29, 2010 email to certain First Round Investors that the First Round consisted of 167,500 eAgency Warrants, which would be acquired from one of the Vaccaro Entities for \$225,000;
- b. in a September 21, 2010 email to certain First Round Investors that Vaccaro “has in excess of 1m warrants after these are gone”; and
- c. in a September 25, 2010 email to certain First Round Investors that Trolice held 200,000 eAgency Warrants that were granted at \$3.50.

79. Trolice falsely represented on at least two occasions that TCS Investors would be receiving “common stock” instead of LLC membership interests.

80. Trolice and TCS through Trolice also made false and misleading statements relating to eAgency’s business. Specifically, Trolice falsely represented:

- a. in a December 21, 2010 email to a Second Round Investor that “three [mobile applications] eAgency provides all will garner in excess of \$200m plus individually”;
- b. in a March 4, 2011 email to Third Round Investors that eAgency’s mobile offerings “will now be in every Verizon wireless store with product brochures, signage etc., coupled with the 2000 strong field sales force driving us to their corporate accounts allowing ubiquitous deployment of our mobile agents on every device Verizon offers :)”;
- c. in an April 2, 2011 email to a Third Round Investor that “stock was selling for \$3.04 per share, but is no longer available to the private sector as they will be cash flow positive in 90 days and then a race to acquisition”; and

- d. in an April 24, 2013 email to a Later Round Investor that eAgency “is going to be bigger than I thought as they are outing their patent strategy in place as well to attack those companies infringing on their patents.”

81. While Trolice was praising eAgency’s purported recent successes and its potential for a multi-hundred million dollar liquidity event, Trolice omitted to disclose to TCS Investors that eAgency’s CEO sent Trolice emails on February 1, 2011, May 11, 2011, June 25, 2011, January 19, 2012, and March 19, 2012, describing, among other things: (i) eAgency’s dire present and future financial situation; (ii) how eAgency was facing difficulty in meeting its payroll obligations and lacked the funds to pay its vendor bills; and (iii) how the CEO could no longer provide eAgency additional funds to “support the float.”

82. After Trolice complained in an email dated January 13, 2012 to eAgency’s Vice President of Sales that eAgency’s smartphone application only had 1,000 subscribers and that he “[couldn’t] believe that is all we have after these years !!!!!!!!!!!!!!!!!!!!!”, Trolice omitted to disclose to TCS Investors that he was advised by the Vice President of Sales in an email later that day that “I have no help, no resources, no funds to hire anyone and no budget to fix BBM to even sell it.”

83. As described above in ¶ 59, Trolice and TCS through Trolice falsely represented in emails to TCS Investors on at least twenty occasions that the eAgency Warrants were in short supply, and that the opportunity to purchase the TCS Securities in a purported investment round was closing quickly. For example, Trolice stated in a May 26, 2012 email to certain Later Round Investors that “[t]he round is almost closed so please advise IF YOU WANT TO DO A LITTLER MORE as I only have \$100k left[.]”

84. On at least one occasion, Trolice and TCS through Trolice falsely represented that neither he nor TCS received any compensation from the offer and sale of the TCS Securities. For example, on July 3, 2012, Trolice falsely represented in an email to a TCS Investor that “no money made by me/Trolice Consulting as I have significant personal investment in the company.”

85. This representation is false because, as described in ¶ 72 above, Trolice used TCS Investors’ funds for his personal benefit.

86. In connection with the offer and sale of TCS Securities, Mackaronis also made untrue statements of material fact in emails to actual and prospective TCS Investors. For example:

- a. on September 1, 2011, Mackaronis falsely represented to a Later Round Investor that he was “[T]aking money out of my 401k and adding to my warrants today”;
- b. on December 13, 2012, Mackaronis falsely represented to a prospective TCS Investor that “[l]uckily if you do decide to get in on E Agency [sic], you are coming in at the tail end and are looking at a 2013 return on your investment. And it’s looking like a 10x-20x according to the CEO and President who is selling the company. Example 50k investment = 500k-1M in a years time”;
- c. on December 15, 2012, Mackaronis falsely represented to that same prospective TCS Investor that “E Agency [sic] for sure is 100% return on investment”; and

- d. on January 31, 2013, Mackaronis falsely represented to a prospective TCS Investor that “every 20k [invested in eAgency Warrants] is another 200-400k in your pocket next year or less.”

IV. Trolice’s and Vaccaro’s Efforts to Conceal their Money-Raising Scheme from eAgency

87. To maintain their fraudulent scheme, Trolice and Vaccaro actively prevented eAgency from learning about the offer and sale of the Vaccaro Securities and TCS Securities.

88. Trolice and Vaccaro hosted investor webinars in the normal course of their duties as “finders” to introduce potential accredited investors to eAgency. The two were often joined at the webinars by other eAgency employees; where all involved would extol the virtues of the company in order to stimulate investment interest.

89. Attempts to conceal the money-raising activities were evident in emails as early as March 2010, when Trolice arranged for eAgency to conduct a “webinar” for a Vaccaro Securities Investor. At the March 2010 webinar, Trolice and Vaccaro were joined by an employee from eAgency’s investor relations department. On March 16, 2010, after the webinar had concluded, the eAgency employee contacted the Vaccaro Securities Investor to schedule a follow-up meeting with eAgency’s CEO. Trolice, who was copied on the exchange, then sent a firm warning to the eAgency employee that she was not to contact people that he had introduced to the company, stating to her, “[s]low down please. Some protocol points. When I set my people up for a webinar with you and Lee after the presentation the ball goes back to me to drive the next steps as I see fit...reaching to my people without talking to me is an absolute no no.”

90. As Trolice requested, the eAgency employee did not schedule a follow-up meeting between eAgency’s CEO and the Vaccaro Securities Investor.

91. Ultimately, the same Vaccaro Securities Investor purchased the membership interests purportedly backed by eAgency Warrants, rather than eAgency directly, whereby the funds were directed to a Vaccaro Consultants' bank account and then used for Trolice's and Vaccaro's personal benefit.

92. On April 6, 2010—the day on which the Vaccaro Securities Investor transmitted funds to Vaccaro Consultants—Trolice sent the eAgency employee another directive, reminding her, “[j]ust so we are on the same page do not reach out to [the Vaccaro Securities Investor] ... as I am working [him].”

93. The Vaccaro Securities Investor neither invested nor directed any funds towards eAgency.

94. Subsequently, on February 1, 2011, Trolice emailed a friend who was gathering several individuals for a webinar Trolice was co-hosting with Vaccaro and another eAgency employee, stating, “[t]hey cannot mention warrants on the webinar right so just tell them they are looking to learn about the company and technology and the investing will be done off line with you and me after the webinar.” Trolice's friend then stated, “I will remind them not to ask about the warrants ... Since eAgency is no longer raising funds, is the webinar going to raise any red flags?” Trolice responded, “[t]hey are now raising until the end of feb or march for a cushion so no biggie.”

95. In February and March 2011, Trolice and Vaccaro made further attempts to conceal their money-raising activities from eAgency, with Vaccaro alternating from his eAgency email address to a privately-hosted email address in discussions with Trolice about a TCS Investor who “was now on everyones [sic] radar” at eAgency.

96. For example, in August 2011, Mackaronis sent an email to Vaccaro's eAgency email address where he mentioned his solicitation of prospective TCS Investors for the purchase of "120k total in warrants." Vaccaro, switching over to his private email account, forwarded Mackaronis's email to Trolice, stating, "[h]e sent this to my [eAgency] address which I permanently deleted." Trolice then emailed Mackaronis, stating, "ONLY SEND E-MAILS REFERRING TO WARRANTS TO Lee's yahoo e-mail COPIED ON THIS EMAIL ABOVE."

97. Trolice and Vaccaro were successful in concealing their money-raising activities until eAgency uncovered Vaccaro's conduct and terminated him on or around October 4, 2013.

CONCLUSIONS OF LAW

The Bureau Chief makes the following conclusions of law:

TCS, TROLICE, VACCARO, AND MACKARONIS SOLD UNREGISTERED SECURITIES IN VIOLATION OF N.J.S.A 49:3-60

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

99. The TCS Securities are securities as defined in the Securities Law.

100. Trolice, Vaccaro, Mackaronis, and TCS through Trolice, Vaccaro and Mackaronis offered and sold securities in the form of Trolice Consulting Services membership interests that were neither registered with the Bureau, nor "federally covered," nor exempt from registration, in violation of N.J.S.A 49:3-60.

101. The TCS Securities were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.

102. Each offer or sale of unregistered securities constitutes a separate 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 and it is in the public interest to deny certain exemptions.

**TROLICE, VACCARO, AND MACKARONIS ACTED AS AGENTS WITHOUT
REGISTRATION IN VIOLATION OF N.J.S.A. 49:3-56(a)**

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

104. Trolice, Vaccaro, and Mackaronis acted as agents, as defined in N.J.S.A. 49:3-49(b), in effecting or attempting to effect transactions in securities from and in New Jersey.

105. Trolice, Vaccaro, and Mackaronis were not registered with the Bureau as agents of TCS.

106. Trolice, Vaccaro, and Mackaronis violated N.J.S.A. 49:3-56(a), which requires among other things, that only persons registered with the Bureau may lawfully act as agents.

107. Each offer and sale to investors constitutes a separate 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 and it is in the public interest to deny certain exemptions.

**TCS EMPLOYED UNREGISTERED AGENTS
IN VIOLATION OF N.J.S.A. 49:3-56(h)**

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

109. TCS employed Trolice, Vaccaro, and Mackaronis as agents in effecting or attempting to effect transactions in securities from and in New Jersey.

110. Trolice, Vaccaro, and Mackaronis acted as agents for TCS as defined in N.J.S.A. 49:3-49(b).

111. TCS's conduct constituted employing agents who were not registered with the Bureau to sell securities in violation of N.J.S.A. 49:3-56(h).

112. Each offer and sale to investors constitutes a separate violation of N.J.S.A. 49:3-56(h) and is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1 and it is in the public interest to deny certain exemptions.

**TROLICE, VACCARO, VACCARO CONSULTANT,
VACCARO CONSULTANTS, AND TCS EMPLOYED A DEVICE, SCHEME, OR
ARTIFICE TO DEFRAUD INVESTORS IN CONNECTION WITH THE OFFER,
SALE OR PURCHASE OF SECURITIES IN VIOLATION OF N.J.S.A. 49:3-52(a)**

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

114. In connection with the offer and sale of the TCS Securities and Vaccaro Securities, Trolice, Vaccaro, and Vaccaro Consultant, Vaccaro Consultants, and TCS through Trolice and Vaccaro directly and/or indirectly, employed a device, scheme or artifice to defraud investors by fabricating and distributing offering documents containing false statements, misappropriating investor funds to their personal benefit, and concealing their knowledge of eAgency's poor financial condition, as described above, in violation of N.J.S.A. 49:3-52(a).

115. Each violation of N.J.S.A. 49:3-52(a) by Trolice, Vaccaro, and Vaccaro Consultant, Vaccaro Consultants, and TCS through Trolice and Vaccaro upon each investor is a separate violation of the Securities Law and is cause for the imposition of a civil monetary

penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1 and it is in the public interest to deny certain exemptions.

TROLICE, VACCARO, MACKARONIS, VACCARO CONSULTANT, VACCARO CONSULTANTS, AND TCS MADE UNTRUE STATEMENTS OF MATERIAL FACT AND OMITTED TO STATE MATERIAL FACTS NECESSARY IN ORDER TO MAKE THE STATEMENTS MADE IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY ARE MADE, NOT MISLEADING IN VIOLATION OF N.J.S.A. 49:3-52(b)

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

117. In connection with the offer and sale of the Vaccaro Securities, Trolice, Vaccaro, and Vaccaro Consultant and Vacaro Consultants through Trolice and Vaccaro made materially false and misleading statements 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, as described above.

118. In connection with the offer and sale of the TCS Securities, Trolice, Vaccaro, Mackaronis, and TCS through Trolice, Vaccaro, and Mackaronis made materially false and misleading statements 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, as described above.

119. Each violation of N.J.S.A. 49:3-52(b) by Trolice, Vaccaro, Mackaronis, and Vaccaro Consultant, Vacaro Consultants, and TCS through Trolice, Vaccaro, and Mackaronis upon each investor is a separate violation of the Securities Law and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1 and it is in the public interest to deny certain exemptions.

**TROLICE, VACCARO, VACCARO CONSULTANT,
VACARO CONSULTANTS, AND TCS ENGAGED IN AN ACT OR PRACTICE
WHICH OPERATED AS A FRAUD OR DECEIT UPON ANY PERSON
IN CONNECTION WITH THE OFFER, SALE OR PURCHASE OF
SECURITIES IN VIOLATION OF N.J.S.A. 49:3-52(c)**

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

121. In connection with the offer and sale of the TCS Securities and Vaccaro Securities, Trolice, Vaccaro, and Vaccaro Consultant, Vacaro Consultants, and TCS through Trolice and Vaccaro engaged in an act, practice and course of business that operated as a fraud and/or deceit upon the investors and others, by commingling investor money with other funds in multiple accounts controlled by Trolice and Vaccaro, transferring investor money to and from Trolice-related bank accounts and to Vaccaro, misappropriating investor funds, and concealing their scheme from eAgency to continue selling securities purportedly backed by eAgency Warrants, as described above, in violation of N.J.S.A. 49:3-52(c).

122. Each violation of N.J.S.A. 49:3-52(c) by Trolice, Vaccaro, and Vaccaro Consultant, Vacaro Consultants, and TCS through Trolice and Vaccaro upon each investor is a separate violation of the Securities Law and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1 and it is in the public interest to deny certain exemptions.

THEREFORE, based on the foregoing findings of fact and conclusions of law, **IT IS** on this 4th day of May, 2016:

ORDERED THAT James R. Trolice d/b/a Trolice Consulting and Trolice Consulting Services, and Trolice Consulting Services, LLC, are jointly and severally assessed a civil

monetary penalty in the amount of **Two Million Five Hundred Thousand dollars (\$2,500,000.00)**, pursuant to N.J.S.A. 49:3-70.1, which is immediately due and payable to the “State of New Jersey, Bureau of Securities.”

ORDERED THAT Lee Vaccaro, Vaccaro Consultant, LLC, and Vacaro Consultants, LLC are jointly and severally assessed a civil monetary penalty in the amount of **One Million Five Hundred Thousand dollars (\$1,500,000.00)**, pursuant to N.J.S.A. 49:3-70.1, which is immediately due and payable to the “State of New Jersey, Bureau of Securities.”

ORDERED THAT Patrick G. Mackaronis is assessed a civil monetary penalty in the amount of **One Hundred Forty Thousand dollars (\$140,000.00)**, pursuant to N.J.S.A. 49:3-70.1, which is immediately due and payable to the “State of New Jersey, Bureau of Securities.”

ORDERED THAT James R. Trolice d/b/a Trolice Consulting and Trolice Consulting Services, Lee Vaccaro, Patrick G. Mackaronis, Vaccaro Consultant, LLC, Vacaro Consultants, LLC, and Trolice Consulting Services, LLC shall **CEASE AND DESIST** from further violations of the Securities Law; and it is further

ORDERED THAT James R. Trolice d/b/a Trolice Consulting and Trolice Consulting Services, Lee Vaccaro, Patrick G. Mackaronis, Vaccaro Consultant, LLC, Vacaro Consultants, LLC, and Trolice Consulting Services, LLC are denied all exemptions contained in N.J.S.A. 49:3-50, subsection (a), paragraph 9, 10, 11, and subsection (b); and it is further

ORDERED THAT 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 hereby denied as to James R. Trolice d/b/a Trolice Consulting and Trolice Consulting Services, Lee Vaccaro, Patrick G.

Mackaronis, Vaccaro Consultant, LLC, Vacaro Consultants, LLC, and Trolice Consulting Services, LLC.

By: 
Laura H. Posner
Bureau Chief

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-69(a)(1)(I) the Bureau Chief shall entertain on no less than three days notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 20 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities.

Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15 day prescribed period, that person shall have waived the opportunity to be heard and the order shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997) N.J.S.A. 49:3-47 et seq., 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 an order 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.