

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

IN THE MATTER OF: BLUE SQUARE MANAGEMENT, INC.,  
VIKTOR NOVOSSELOV (A/K/A DAVID MARKOWITZ,  
A/K/A VIKTOR NOVOSELOFF) its/his partners, officers  
and directors, agents, employees, affiliates, successors and assigns.

**File No. 0400344**

**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENTS:** Blue Square Management, Inc.  
225 Broadway #1905  
New York, New York 10007

Viktor Novosselov  
A/K/A David Markowitz  
A/K/A Viktor Novosellof  
225 Broadway #1905  
New York, New York 10007

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. That Respondent Blue Square Management, Inc. (hereinafter "BS, Inc. or together with BS, Vik, "Respondents") has a last known address of 225 Broadway, #1905, New York, New York 10007.
2. That Respondent Viktor Novosselov, A/K/A David Markowitz, A/KA Viktor Novosellof (hereinafter "BS Vik" or together with BS, Inc. "Respondents") has a last known address of 225 Broadway, #1905, New York, New York 10007.
3. That between February 2003 and July 2003 Respondent BS Vik, through "cold calling", represented to at least one Illinois resident ("Investor"), that he worked for Respondent BS, Inc., a venture capital firm that was in the business of selling securities and specializing in underwriting initial public offerings.
4. That during said time frame BS Vik told the Investor that he could purchase securities for the Investor in a company called Cash Money Lending Company

("CMLC") that BS Vik represented to be a company in the business of managing ATM machines.

5. That between February 2003 and July 2003 the Investor paid \$64,000 altogether to BS, Inc. and BS Vik pursuant to Respondents' promise to the Investor that Respondents would purchase the CMLC securities for the Investor. BS, Inc. and BS Vik sent confirmations of the transactions to the Investor.

**FAILURE TO REGISTER AS DEALER**

6. That "dealer" means inter alia, "any person who engages in this State in the business of offering, selling, buying and selling, or otherwise dealing or trading in securities issued by another person" as defined in Section 2.7 of the Illinois Securities Act of 1953 [815 ILCS 5] (the "Act").
7. That the activities of BS, Inc. through its agent BS Vik described in paragraphs 1 through 5 above, constitute acting as a dealer in the State of Illinois.
8. That Section 8.A of the Act provides, inter alia, that "except as otherwise provided in this subsection A, every dealer shall be registered with the Secretary of State".
9. That Respondent BS, Inc. failed to file an application with the Secretary of State to register as a dealer as required by the Act, and as a result respondent BS, Inc was not registered as such prior to acting as a dealer in the State of Illinois.
10. That Section 12.C of the Act provides, inter alia, that it shall be a violation of the Act "for any person to act as a dealer unless registered as such, where such registration is required, under the provisions of this Act."
11. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document, required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
12. That by virtue of the foregoing Respondent BS, Inc. violated Sections 12.C and 12.D of the Act.

**FAILURE TO REGISTER AS A SALESPERSON**

13. That Section 2.9 of the Act provides that "salesperson" means, inter alia, "an individual, other than an issuer or a dealer, employed or appointed or authorized by a dealer, issuer or controlling person to offer, purchase or sell securities in this State."
14. That the activities of BS Vik as described in paragraphs 1-5 above constitute the activities of a salesperson of securities in the State of Illinois.

15. That Section 8.A of the Act provides, inter alia, that “except as otherwise provided in this subsection A, every salesperson shall be registered as such with the Secretary of State.”
16. That Respondent BS Vik failed to file an application with the Secretary of State to register as a salesperson as required by the Act, and as a result Respondent BS Vik was not registered as such prior to acting as a salesperson in the State of Illinois.
17. That Section 12.C of the Act provides, inter alia, that it shall be a violation of the Act “for any person to act as a salesman unless registered as such, where such registration is required, under the provisions of this Act.”
18. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act “for any person to fail to file with the Secretary of State any application, report or document, required to be filed under the provisions of the Act, or any rule or regulation made by the Secretary of State pursuant to the Act.”
19. That by virtue of the foregoing Respondent BS Vik has violated Sections 12.C and 12.D of the Act.

**FRAUD**

20. That Respondents BS, Inc. and BS Vik, instead of investing the funds as promised in paragraphs 3 through 5 above, converted the funds to their own use and benefit.
21. That Respondents failed and refused to notify the Investor that the funds would be used for their own benefit rather than the Investor’s.
22. That Section 12.F of the Act provides, inter alia, that it shall be a violation of the provisions of the Act for any person, “to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.”
23. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the provisions of the Act for any person, “to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstance under which they were made, not misleading.”

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24. That Section 12.I of the Act provides, inter alia that it shall be a violation of the provisions of the 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.”
25. That by virtue of the foregoing, Respondents BS, Inc. and BS Vik violated Sections 12.F, 12.G and 12.I of the Act and will violate the Act again if they make further security offers, or if they make any sales of securities, in the State of Illinois.
26. That the aforementioned findings are based upon credible evidence.
27. That Section 11.F (2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the rendering of investment advice or the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
28. That the entry of this Temporary Order of Prohibition prohibiting Respondents, and their partners, officers and directors, agents, employees, affiliates, successors and assigns, from rendering investment advice or from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Blue Square Management, Inc., and Viktor Novosselov (A/KA David Markowitz and A/K/A Viktor Novosellof) and their partners, officers and directors, agents, employees, affiliates, successors and assigns, are temporarily **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

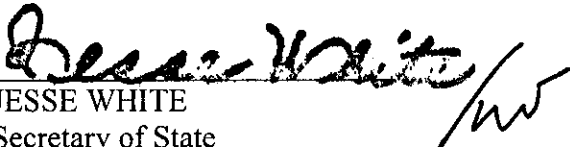
NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

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FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 26<sup>th</sup> day of February 2007.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
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