

**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

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
FCC Petersburg
#16272-014
P.O. Box 90026
Petersburg, Virginia 23804

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on February 26, 2007 which prohibited Blue Square Management, Inc., and Viktor Novosselov (A/K/A David Markowitz and A/K/A Viktor Novosellof ("Respondents")) from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;

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WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

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 FCC Petersburg, #16272-014, P.O. Box 90026, Petersburg, Virginia 23804.
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.

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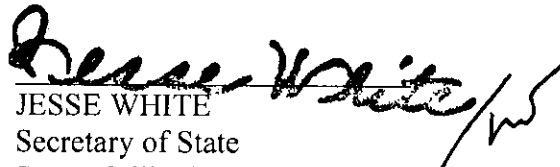
21. That Respondents failed and refused to notify the Investor that the funds would be used for their own benefit rather than the Investor's.
22. That Section 12.F of the Act provides, inter alia, that it shall be a violation of the provisions of the Act for any person, "to engage in any transaction, 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."
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.

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/K/A David Markowitz and A/K/A Viktor Novosellof) and their partners, officers and directors, agents, employees, affiliates, successors and assigns, are **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: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Dated: This 15th day of June 2007.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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