

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

ADMINISTRATIVE PROCEEDING
File Nos. 3-17984 through 3-17989

**In the Matter of the Registration Statements
of**

**CANSO ENTERPRISES LTD.,
PRIVOZ,
UNIVERSAL MOVERS CORP.,
LORILAY CORP.,
FORMOUS CORP., and
LION PRINT CORP.**

**DIVISION OF ENFORCEMENT'S PROPOSED
FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Pursuant to Rule 340 of the Securities and Exchange Commission's ("Commission") Rules of Practice, the Division of Enforcement ("Division") respectfully submits these proposed findings of fact and conclusions of law. The findings and conclusions presented below support the issuance of stop orders against the Registration Statements of Privoz, Canso Enterprises Ltd. ("Canso"), Formous Corp. ("Formous"), Lorilay Corp. ("Lorilay"), Lion Print Corp. ("Lion Print"), and Universal Movers Corp. ("Universal Movers").

I.

PROPOSED FINDINGS OF FACT

A. Privoz

1. Privoz is a Nevada corporation with its principal place of business in Holon, Israel. (Exhibit 94 at 3, Exhibit 95 at 3, and Exhibit 96 at 3.)

2

2. In its Registration Statement, Privoz described itself as “a business which holds deliveries in the United States for persons who reside outside of the United States, and then, using a third-party shipping service, forward[s] our customer’s deliver[y] to him or her at his or her address outside of the United States. We are presently focusing our services to persons who only reside in Israel. We have entered into contracts with cargo shippers to establish our business relationship with them in order to ship our customers’ deliveries to our customers in Israel. To date, we have shipped a total of three containers to customers.” (Exhibit 96 at 3.)

3. Privoz stated in the Registration Statement that “we have only one employee, Mark Milman, who serves as our sole officer and director.” (Exhibit 94 at 6, Exhibit 95 at 6, and Exhibit 96 at 6.)

4. In its Registration Statement, Privoz represented that “we depend entirely on Mr. Milman for all of our operations.” (Exhibit 94 at 6, Exhibit 95 at 6, and Exhibit 96 at 6.)

5. The Registration Statement did not reveal that any other individuals were associated with Privoz or performed work on its behalf. (*See generally* Exhibit 94, Exhibit 95, and Exhibit 96.)

6. Privoz identified in the Registration Statement two shipping companies that Privoz had entered into contracts with: General Container Line and E-Z Cargo, Inc. (Exhibit 94 at 22, Exhibit 95 at 22, and Exhibit 96 at 22.)

7. The Registration Statement claimed that Privoz had “shipped to Israel two containers through General Container Line and one container through EZ Cargo Inc.” (Exhibit 95 at 22 and Exhibit 96 at 22.)

8. During the Division's investigation, Mr. Milman — Privoz's President and Chief Executive Officer — admitted in testimony that an individual named Vladimir Shekhtman acted on behalf of Privoz. (Exhibit 77 at 53:3-54:25.)

9. Mr. Milman admitted in investigative testimony that Mr. Shekhtman was the only person who communicated with General Container Line and E-Z Cargo, Inc. on Privoz's behalf. (Exhibit 77 at 53:16-18.)

10. Rogerio Morais, an employee of General Container Line, testified at the hearing in this proceeding that he never communicated with Mr. Milman. (Hearing Tr. 65:2-4.)

11. Alevtina Michina, an employee of E-Z Cargo, Inc., testified at the hearing in this proceeding that she never communicated with Mr. Milman. (Hearing Tr. 70:12-15.)

12. Both Mr. Morais and Ms. Michina testified that their dealings with Privoz, to the extent they had any, were with Mr. Shekhtman. (Hearing Tr. 61:6-17; 69:10-16.)

13. According to Mr. Morais' and Ms. Michina's hearing testimony, they knew Mr. Shekhtman because he was associated with a company called Arcadia International that was a client of General Container Line and E-Z Cargo, Inc. (Hearing Tr. 60:17-61:5; 69:2-9.)

14. Mr. Shekhtman approached General Container Line and E-Z Cargo, Inc. about entering into contracts with Privoz. (Hearing Tr. 61:18-62:13; 69:10-16.)

15. Mr. Morais testified that Mr. Shekhtman sent him the following email in Russian on January 26, 2014:

<p>Roger, привет! Подпиши мне этот договор , потом расскажу что я делаю. Это только для проформы, компания только на бумаге, please! Вернусь из Miami поговорим. Владимир.</p>
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(Exhibit 34 at 1.)

16. During his hearing testimony, Mr. Morais translated Mr. Shekhtman's email into English:

6	Q	Could you please translate it for us.
7	A	Yes. It says: Hello, Roger. Please sign this
8		contract. I would like to tell you what it is about.
9		This is just a pro forma. The company is only on paper.
10		when I come back from Miami, we'll talk. Vladimir.

(Hearing Tr. 63:6-10.)

17. Mr. Morais testified that, on behalf of General Container Line, he signed a contract with Privoz. (Hearing Tr. 63:19-64:10.)

18. Notwithstanding the contract with Privoz, Mr. Morais testified that General Container Line did not perform any services for Privoz, but Mr. Shekhtman requested that General Container Line bill services to Privoz that actually were provided to his company, Arcadia International:

11	Q	At any point, did your company General
12		Container Line actually provide any services to Privoz?
13	A	Directly, not. I mean, we initially provided
14		service to his Arcadia International. And then later on a
15		couple invoices, if I'm not wrong, maybe three of them,
16		were transformed from -- I mean, redone, from Arcadia
17		International to Privoz. But this is usually the normal
18		thing. Many clients have several companies and they're
19		all interconnected, they use to pay -- using from one to
20		another. I mean, there was nothing abnormal about it.
21	Q	I just want to make sure I am following what
22		you're saying. You're saying that General Container Line
23		provided services to Arcadia International, and then Mr.
24		Shekhtman requested that those services be billed to
25		Privoz. Is that right?
0065		
1	A	Right. Yes, indeed.

(Hearing Tr. 64:11-65:1.)

19. Ms. Michina testified that she signed a contract with Privoz on behalf of E-Z Cargo, Inc., but she never received a signed contract back from Privoz. (Hearing Tr. 69:17-22.)

20. Ms. Michina testified that on March 5, 2014 Privoz deposited \$4,000 in E-Z Cargo, Inc.'s bank account as a "fee payment for future services." (Hearing Tr. 69:25-70:11.)

21. Ms. Michina testified that E-Z Cargo, Inc. never provided any services to Privoz.

(Hearing Tr. 69:23-24.)

22. Mr. Milman also admitted in investigative testimony that, contrary to what the Registration Statement claimed, Privoz had not shipped any containers to Israel:

15	Q Okay. I understand you entered the two
16	contracts. The two contracts themselves are not for any
17	specific shipments, right? They're just general, let's
18	say, retainer agreements if you understand what that
19	means?
20	A Yes.
21	Q And is it your understanding that those
22	companies have actually shipped goods to customers on
23	behalf of Privoz?
24	A Yes, I see it.
25	Q Okay, and is it your understanding that those
Page 85	
1	companies have actually shipped -- literally shipped
2	goods from the United States to Israel on behalf of
3	Privoz?
4	A What I know for -- at this moment, they didn't
5	do it yet.
6	Q So they haven't done that yet?
7	A Yes.
8	Q Okay.
9	A We need to correct it.
10	Q Okay. Would you consider that an important
11	statement in your S-1, something that would be of
12	interest to investors whether or not these companies have
13	actually shipped goods for you?
14	A Because it's a process, in this moment, they
15	didn't ship it. It's not easy to start up company.
16	Q Okay, I'm just asking you, you said you felt
17	like you have to correct it?
18	A Yes, I have to correct this sentence. The
19	first -- the company has not shipped yet cargo.

(Exhibit 77 at 84:15-85:19; *see also* Exhibits 95 and 96.)

B. Canso

23. Canso is a Nevada corporation headquartered in Mexico City, Mexico. (Exhibit 99 at 3-4, Exhibit 100 at 3-4, and Exhibit 101 at 3-4.)

24. Canso's President, Secretary, and Treasurer is James Burns. (Exhibit 99 at 18, Exhibit 100 at 18, and Exhibit 101 at 18.)

25. In its Registration Statement, Canso described itself as "an exploration stage company formed for the purposes of acquiring, exploring, and if warranted and feasible, developing natural resource property." (Exhibit 99 at 3, Exhibit 100 at 3, and Exhibit 101 at 3.)

26. According to the Registration Statement, Canso owns "a 100% undivided interest [in] the Arrow River Property located in the Thunder Bay Mining District of the Province of Ontario, Canada." (Exhibit 99 at 18, Exhibit 100 at 18, and Exhibit 101 at 18.)

27. Canso claimed in the Registration Statement that "[w]e are currently conducting mineral exploration activities on the Arrow River Property in order to assess whether it contains any commercially exploitable mineral reserves." (Exhibit 99 at 18, Exhibit 100 at 18, and Exhibit 101 at 18.)

28. Mr. Burns admitted in his investigative testimony that Canso was not conducting any mineral exploration activities:

1 Q What kind of mineral exploration activities are
2 currently being conducted on the Arrow River property?
3 A Nothing.
4 Q Nothing. If you could turn to page 31 of
5 Exhibit 29, the S-1. It says, page "31 of 77" on the top
6 and "page 18" on the bottom. Do you see that?
7 A It's page 18 that I've got. After I printed
8 off these document I numbered to page 31.
9 Q Okay. Do you see in the very bottom paragraph
10 there, there's a header that says, "In General," and then
11 the third sentence in there says, "We are currently
12 conducting mineral exploration activities on the Arrow
13 River property." Do you see that?
14 A Yes.
15 Q How do you reconcile that statement with what
16 you just told us that you're not currently conducting any
17 mineral exploration activities on the property?
18 A I'm sorry. In general? In general course?
19 Q I'm sorry. What did you say?
20 A In the bottom of the page 18, where it says,
21 "In General"?
22 Q Correct.
23 A That last paragraph?
24 Q That's right.
25 A Let me read it.

Page 66

1 It reads incorrect to me.
2 Q What do you mean by that?
3 A There is no work being done on the property
4 presently.
5 Q Okay. But the S-1 says that there is, correct?
6 A That's correct.
7 Q And so it's your understanding that that's an
8 inaccurate statement?
9 A That's correct.

(Exhibit 76 at 65:1-66:9.)

29. The Registration Statement identified 39 people who supposedly owned Canso shares and intended to sell them in Canso's contemplated offering:

Robert Lovell
Blair Green
Harry Holden
Travis Lee
Jim Pearson
Pat White
Darc King
Daniel King
Jim Brown
Stan Stein
John Carsley
Alcan Gonzales
Blair Cook
Bill Hawke
Matt Lopez
Zita Romo
Gerardo Goryon
Sally Henderson
David Unger
Sharon Brown
David Vent
Ann Sanders
Terry Brown
Ken Hart
Susan Arthur
Otis Silk
Gary Boorman
Bob Cotton
Ron Houis
Robert Rouse
Steve Owen
Harold Morrison
Susan Cook
Edith Williams
Steven Sails
Terry Long
Ian Hill
George Peters
Craig Clasen

(Exhibit 100 at 13 and Exhibit 101 at 13; *see also* Exhibit 99 at 13.)

30. Brian Vann, the Senior Counsel who led the Division's investigation into Canso, testified at the hearing that "we did everything we could using the tools we have to track these individuals down. . . . [T]here are databases that we have access to . . . a [CLEAR] database . . . general internet searches, 411-type databases, things like that. We were unable to locate these individuals" (Hearing Tr. 41:18-24.)

31. Mr. Vann further testified:

25 when we sort of ran into that roadblock, we
0042
1 decided we needed to reach out to our Canadian regulators
2 in Ontario to get their assistance in helping with this
3 process. So using our folks in the Office of
4 International Affairs, we crafted a request for Canadian
5 Ontario securities commission to look into this question
6 as well as to whether these were actual people.

(Hearing Tr. 41:25-42:6.)

32. The Office of International Affairs (“OIA”) asked the Ontario Securities Commission (“OSC”) to locate a sampling of the purported shareholders who were supposed to live in Ontario:

IV. ASSISTANCE REQUESTED

Please provide telephone numbers or any additional contact information for the following individuals, all of whom reside in Ontario:

Investor	Street	City
Jim Brown	281 Pacific Ave	Toronto
Daniel King	411 Duplex Ave	Toronto
Terry Brown	410 Queens Quay	W Toronto
Blair Cook	25 Four Winds Dr.	North York
Otis Slik	257 Riverside Dr.	Toronto
Harold Morrison	550 Front Street	Toronto
Ian Hill	5430 Yonge Street	Toronto
Bob Cotton	3758 Sheppard Ave	E Scarborough
Daric King	7 Nanton	Toronto
Robert Lovell	110 Esplanade	Toronto
Ron Houle	125 Bonis	Toronto
John Carsley	42 Northfield Road	Scarborough
David Unger	25 Oricle Street	Toronto
David Vent	37 Four Winds Drive	Toronto
Matt Lopez	2 Littleborough Cres	Scarborough
Gerando Goryon	757 Sammon Ave	East York
Sally Henderson	2755 Yonge Street	Toronto
Robert Rouse	716 Euclid Ave	Toronto

If the OSC concludes that any of the above listed individuals and/or addresses are fictitious, please note that in your response.

(Exhibit 50 at 3.)

33. Marlee Engel, a Branch Chief in OIA who communicated with the OSC, documented OSC’s response to OIA’s request in a declaration made pursuant to 28 U.S.C. § 1746:

7. In response to that Request, on December 18, 2014, the OSC informed me of their conclusion, based on their searches, that the names listed in the SEC's Request were likely fictitious. OSC staff also inquired whether SEC staff had any additional identifying information regarding the persons listed in our Request, but we did not.

8. That same day, the OSC also informed me that OSC staff conducted land registry searches for the addresses provided and the results of those searches revealed that the homes were generally all owned for long periods of time by the same people (possibly senior citizens), and that the owners of these homes did not match any of the names SEC staff provided for those addresses.

(Exhibit 49 at 2.)

C. Formous

34. Formous is a Nevada corporation headquartered in Bishkek, Kyrgyzstan. (Exhibit 97 at 6; Exhibit 98 at 6.)

35. Formous purportedly plans to distribute workwear, such as coveralls and construction jackets. (Exhibit 97 at 6; Exhibit 98 at 6.)

36. Formous' Chairman and President is Nurzada Kermalieva. (Exhibit 97 at 19; Exhibit 98 at 19.)

37. In the Registration Statement, Formous stated that "[w]e are a development stage company and currently have no employees, other than our sole officer, Nurzada Kermalieva." (Exhibit 97 at 26; Exhibit 98 at 26.)

38. Mr. Vann testified at the hearing that the Division attempted to take testimony from Ms. Kermalieva but was never able to schedule it:

20 Q Please describe specifically what cooperation
21 you sought that you did not receive in the investigation.
22 A I would say primarily it's testimony from Ms.
23 Karamaliava. We attempted to schedule testimony from Mr.
24 Puzzo on multiple occasions to get her to provide sworn
25 testimony. We were going to do it over the phone, which
0046
1 is what we did with some of the other officers, and
2 simply couldn't get it scheduled.

(Hearing Tr. 45:20-46:2.)

39. The Division served a testimony subpoena for Ms. Kernalieva on Formous' counsel, Thomas Puzzo, Esq. (Exhibit 56.)

40. Mr. Puzzo was unable to contact Ms. Kernalieva to schedule her testimony:

From: Thomas Puzzo [mailto:tpuzzo@msn.com]
Sent: Tuesday, August 19, 2014 3:55 PM
To: Vann, Brian
Cc: Fitzsimons, Brian
Subject: Formous Corp.

Mr. Vann,

Further to our telephone conversation of August 12, 2014, I confirm that I have made numerous requests with Formous Corp. and Nurzada Kernalieva to schedule testimony but have not received any response. For the sake of clarity, neither Formous nor Ms. Kernalieva have told me that they will not testify. I have simply not received any response.

Best regards,

Thomas E. Puzzo

Law Offices of Thomas E. Puzzo, PLLC

(Exhibit 57.)

41. After being unable to schedule Ms. Kernalieva's testimony through Formous' counsel, Mr. Vann testified that the Division began trying to contact Ms. Kernalieva directly but never received a response:

19 Q At some point in time, did you begin trying to
20 contact the CEO directly?
21 A Yes. I believe that was in April 2016, if I
22 had to guess, when Mr. Puzzo informed us that he was no
23 longer representing her. We then attempted to reach out
24 I think via e-mail, using the e-mail address contained in
25 the S1 filing, to try to reach her.
0047

1 Q What happened when you tried to reach her via
2 e-mail?
3 A We have not heard anything back from her.

(Hearing Tr. 46:19-47:3.)

D. Lorilay

42. Lorilay is a Nevada corporation headquartered in Moscow, Russia. (Exhibit 104 at 5.)

43. Lorilay represented in its Registration Statement that it intends to sell crepes through retail outlets in Russia. (Exhibit 104 at 4, 25.)

44. Elena Sheveleva is Lorilay's President, Secretary, and Treasurer. (Exhibit 104 at 28.)

45. In its Registration Statement, Lorilay stated that "[w]e are a development stage company and currently have no employees, other than our sole officer, Elena Sheveleva." (Exhibit 104 at 26.)

46. Mr. Vann testified that the Division attempted to take testimony from Ms. Sheveleva but was never able to schedule it:

11 Q Please describe what cooperation you sought
12 from Lorilay that you did not receive.
13 A It was similar to what happened with Formous:
14 We let me Puzzo know that we wanted to take the testimony
15 of Ms. Shevalava. The only difference between those two
16 is that at the time we were trying to schedule that
17 testimony in May -- May 13 through 16. So through the
18 initial stages Mr. Puzzo was still trying to determine
19 whether he represented her. So when we issued testimony
20 subpoenas on May 16, we did not include her as one of the
21 subpoenas; nevertheless, we coordinated with Mr. Puzzo to
22 try to schedule her testimony, and he tried to reach out
23 to her and was just never able to reach her.

(Hearing Tr. 48:11-23.)

47. The Division attempted to schedule Ms. Sheveleva's testimony through Lorilay's counsel, Mr. Puzzo. (Hearing Tr. 48:11-23.)

48. Mr. Puzzo was unable to contact Ms. Sheveleva to schedule her testimony:

From:	<u>Thomas Puzzo</u>
To:	<u>Vann, Brian</u>
Cc:	<u>Fitzsimons, Brian</u>
Subject:	Lorilay Corp.
Date:	Tuesday, August 19, 2014 3:56:51 PM

Mr. Vann,

Further to our telephone conversation of August 12, 2014, I confirm that I have made numerous requests with Lorilay Corp. and Elena Sheveleva to schedule testimony but have not received any response. For the sake of clarity, neither Lorilay nor Ms. Sheveleva have told me that they will not testify. I have simply not received any response.

Best regards,

Thomas E. Puzzo

Law Offices of Thomas E. Puzzo, PLLC
3823 44th Ave. NE
Seattle, Washington 98105
Direct Tel: (206) 522-2256
Cell: (206) 412-6868
Fax: (206) 260-0111
E-mail: tpuzzo@msn.com

(Exhibit 73.)

49. After being unable to schedule Ms. Sheveleva's testimony through Lorilay's counsel, Mr. Vann testified that the Division began trying to contact Ms. Kernalieva directly but never received a response. (Hearing Tr. 50:2-10.)

E. Lion Print

50. Lion Print is a Nevada corporation headquartered in Lviv, Ukraine. (Exhibit 102 at 3; Exhibit 103 at 3.)

51. Lion Print describes itself as a printing company in its Registration Statement. (Exhibit 102 at 3; Exhibit 103 at 3.)

52. Liliia Yasinska is Lion Print's President, Secretary, and Treasurer. (Exhibit 102 at 25; Exhibit 103 at 25.)

53. In the Registration Statement, Lion Print stated "[c]urrently, we have only one employee, Liliia Yasinska, who serves as our sole officer and director. We depend entirely on Ms. Yasinska for all of our operations." (Exhibit 102 at 7; Exhibit 103 at 7.)

54. Mr. Puzzo was Lion Print's counsel but stopped representing Lion Print in March 2015. (Hearing Tr. 52:14-20.)

55. Ms. Yasinska provided investigative testimony to the Division. (Hearing Tr. 52:21-53:1.)

56. Later, as the Division's investigation proceeded and it sought additional information, Ms. Yasinska became nonresponsive. (Hearing Tr. 53:1-5.)

57. The Division sent an email to the address provided on the Registration Statement, and the email bounced back. (Exhibit 64.)

58. Mr. Vann testified that the Division was no longer able to reach Ms. Yasinska by telephone:

5	And I recall one
6	specific phone call where we called her at the phone
7	number that she had provided during her testimony. A
8	woman answered the phone and spoke Russian. Based on our
9	previous testimony, we were fairly confident that it was
10	her. When we told her who we were, she hung up the
11	phone. We then attempted to e-mail and call a number --
12	e-mail at the address we had on file a number of times,
13	half dozen times or so, and got no response. And I think
14	at some point the phone number was disconnected.

(Hearing Tr. 53:5-14.)

F. Universal Movers

59. Universal Movers is a Nevada corporation headquartered in London, England. (Exhibit 91 at 5; Exhibit 92 at 5; Exhibit 93 at 5.)

60. Universal Movers described itself as a moving and storage company in its Registration Statement. (Exhibit 91 at 5; Exhibit 92 at 5; Exhibit 93 at 5.)

61. Shahzad Ahmed is Universal Movers' President, Chief Executive Officer, Secretary, and Treasurer. (Exhibit 91 at 18; Exhibit 92 at 20; Exhibit 93 at 20.)

62. In the Registration Statement, Universal Movers stated "[w]e currently have no employees. Our sole officer and director handles the companies [sic] day to day operations." (Exhibit 91 at 20; *see also* Exhibit 92 at 22; Exhibit 93 at 22.)

63. The Division served a testimony subpoena for Mr. Ahmed on Universal Movers' counsel, Mr. Puzzo. (Exhibit 56.)

64. Through Mr. Puzzo, Mr. Ahmed refused to provide testimony pursuant to the Division's subpoena:

From:	<u>Thomas Puzzo</u>
To:	<u>Vann, Brian</u>
Cc:	<u>Fitzsimons, Brian</u>
Subject:	Universal Movers: Testimony of Shahzad Ahmed
Date:	Friday, August 08, 2014 12:58:02 PM

Mr. Vann,

Shahzad Ahmed of Universal Movers has told me that he has decided not to provide testimony to the staff of the Commission. I do not have or know of a reason why he has made that decision. I expect that you will want to speak with me about this. I just tried calling but received your voice mail box. I will wait for you to call me.

Best regards,

Thomas E. Puzzo

Law Offices of Thomas E. Puzzo, PLLC
3823 44th Ave. NE
Seattle, Washington 98105
Direct Tel: (206) 522-2256
Cell: (206) 412-6868
Fax: (206) 260-0111
E-mail: tpuzzo@msn.com

Exhibit 71.

II.

PROPOSED CONCLUSIONS OF LAW

65. Under Section 8(d) of the Securities Act of 1933 (“Securities Act”), a stop order may issue if “the registration statement includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading.” 15 U.S.C. § 77h(d).

66. “Information in a registration statement is material when there is a substantial likelihood that a reasonable investor would attach importance to it in determining whether to purchase the security in question.” *In re Petrofab International, Inc.*, 48 S.E.C. 998, 1005, 1988 SEC Lexis 782 *16 (April 20, 1998) (citing *TSC Industries, Inc., v. Northway, Inc.*, 426 U.S. 438, 449 (1976)) (Commission opinion).

67. Representations regarding the nature of a company’s business operations are material. *See generally SEC v. North American Research & Development Corp.*, 375 F. Supp. 465, 470-71 (S.D.N.Y. 1974), *aff’d*, 511 F.2d 1217 (2d Cir. 1975), *cert. denied sub nom., White v. SEC*, 423 U.S. 830 (1975) (misrepresentations regarding business operations were material).

68. The failure to disclose the existence of a promoter or control person also is material. *See SEC v. Fehn*, 97 F.3d 1276, 1290 (9th Cir. 1996) (materially misleading to identify a new president and CEO as a recent addition when in fact he had been an undisclosed promoter and control person for over a year); *In re Hughes Capital Corp.*, 48 S.E.C. 802, 806-09, 1987 SEC Lexis 4158 (July 20, 1987) (failure to disclose promoter and control person in a registration statement is material) (Commission opinion).

69. Item 11(n) of Form S-1 requires the registrant to furnish the information required by Item 404 of Regulation S-K, including the identity of any promoter or control person that the registrant has had within the last five fiscal years.

70. Under Rule 405 of Regulation C, a “promoter” is defined to include “[a]ny person who, acting alone or in conjunction with one or more other persons, directly or indirectly takes initiative in founding and organizing the business or enterprise of an issuer.”

71. Rule 405 defines “control” to mean “the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person.”

72. Under Section 8(e) of the Securities Act, if an issuer fails to cooperate with, obstructs, or refuses to permit the staff’s examination into whether the issuer’s registration statement contains material misstatements or omissions, “such conduct shall be proper ground for the issuance of a stop order.” 15 U.S.C. § 77h(e); *In re Scientific Research Development Co.*, Securities Act Release No. 5040 (Jan. 26, 1970) (issuing a stop order where a company’s officers refused to testify pursuant to a Section 8(e) examination) (settled action).

73. Further, failing to cooperate with the staff’s examination is an independent basis for issuing a stop order; a material misstatement or omission is not required. *See In re Blimpie Corporation of America*, Securities Act Release No. 5146, 44 S.E.C. 558, 1971 WL 120491 (May 6, 1971) (issuing a stop order solely on grounds that the company’s officers refused to testify pursuant to a Section 8(e) examination) (Commission opinion).

A. Privoz

74. Privoz’s Registration Statement includes untrue statements of material facts.

75. Privoz's Registration Statement omits to state a material fact required to be stated in the Registration Statement or necessary to make other statements in the Registration Statement not misleading.

76. Privoz's Registration Statement falsely states that the "we depend entirely on Mr. Milman for all of our operations." (Exhibit 94 at 6, Exhibit 95 at 6, and Exhibit 96 at 6.)

77. To the extent that Privoz had any operations, they were not carried out by Mr. Milman. (*See, e.g.*, Hearing Tr. 61:6-17; 69:10-16; Exhibit 77 at 53:16-18.)

78. The Registration Statement includes material omissions concerning Mr. Shekhtman. (*See generally* Exhibit 94, Exhibit 95, and Exhibit 96.)

79. Mr. Shekhtman is a promoter of Privoz. (*See, e.g.*, Hearing Tr. 61:6-62:13; 63:6-10; 69:10-16; Exhibit 34 at 1.)

80. Mr. Shekhtman is a control person of Privoz. (*See, e.g.*, Hearing Tr. 61:6-62:13; 63:6-10; 69:10-16; Exhibit 34 at 1.)

81. Yet the Registration Statement does not identify him or acknowledge that he has a role in Privoz even though he is acting on behalf of Privoz in its dealings with other companies. (*See generally* Exhibit 94, Exhibit 95, and Exhibit 96.)

82. The Registration Statement falsely states that Privoz is in the business of "hold[ing] deliveries in the United States for persons who reside outside of the United States, and then, using a third-party shipping service, forward[s] our customer's deliver[y] to him or her at his or her address outside of the United States. We are presently focusing our services to persons who only reside in Israel. We have entered into contracts with cargo shippers to establish our business relationship with them in order to ship our customers' deliveries to our customers in Israel. To date, we have shipped a total of three containers to customers." (Exhibit 96 at 3.)

83. Mr. Shekhtman, however, described the company as “pro forma” and existing “only on paper.” (Exhibit 34 at 1; *see also* Hearing Tr. 63:6-10.)

84. The Registration Statement falsely claims that Privoz shipped three containers of goods to Israel — two through General Container Line and one through E-Z Cargo, Inc. (Exhibit 95 at 22 and Exhibit 96 at 22.)

85. General Container Line did not ship any containers for Privoz. (Hearing Tr. 64:11-65:1.)

86. E-Z Cargo, Inc. did not ship any containers for Privoz. (Hearing Tr. 69:23-24.)

87. Mr. Milman admitted that Privoz has not shipped any containers. (Exhibit 77 at 84:15-85:19.)

88. A stop order is appropriate under Section 8(d) of the Securities Act.

B. Canso

89. Canso’s Registration Statement includes untrue statements of material fact.

90. The Registration Statement falsely claims that Canso is conducting mineral exploration activities on a property. (Exhibit 99 at 18, Exhibit 100 at 18, and Exhibit 101 at 18.)

91. Mr. Burns admitted that Canso is not conducting any mineral exploration activities. (Exhibit 76 at 65:1-66:9.)

92. The Registration Statement falsely identifies 39 individuals as Canso shareholders who intend to sell their shares in Canso’s contemplated offering. (Exhibit 100 at 13 and Exhibit 101 at 13; *see also* Exhibit 99 at 13.)

93. Through its investigative efforts, the Division could not locate any of the shareholders. (Hearing Tr. 41:18-24.) The Division sought assistance, through OIA, from the OSC because many of the shareholders were supposed to live in the Toronto area. (Hearing Tr.

41:25-42:6; Exhibit 50.) The OSC could not locate any of the shareholders and concluded that the names likely were fictitious. (Exhibit 49 at 2.)

94. The addresses given for the shareholders did not correspond to the fictitious names provided. (Exhibit 50.) The OSC linked the addresses to properties that had been owned for many years by the same people, and the OSC concluded that the owners likely were senior citizens. (Exhibit 50.)

95. A stop order is appropriate under Section 8(d) of the Securities Act.

C. Formous

96. Formous failed to cooperate with, obstructed, or refused to permit the staff's examination when Ms. Kermalieva failed to comply with the Division's testimony subpoena. (Hearing Tr. 45:20-46:2; 46:19-47:3; Exhibit 56; Exhibit 57.)

97. Ms. Kermalieva's testimony was essential to the Division's investigation because she is Formous' sole employee, Chairman, and President. (Exhibit 97 at 19, 26; Exhibit 98 at 19, 26.)

98. A stop order is appropriate under Section 8(e) of the Securities Act.

D. Lorilay

99. Lorilay failed to cooperate with, obstructed, or refused to permit the staff's examination when Ms. Sheveleva refused to respond to the Division's efforts to schedule and take her testimony. (Hearing Tr. 48:11-23; Exhibit 73.)

100. Ms. Sheveleva's testimony was essential to the Division's investigation because she is Lorilay's President, Secretary, Treasurer, and sole employee. (Exhibit 104 at 26, 28.)

101. A stop order is appropriate under Section 8(e) of the Securities Act.

E. Lion Print

102. Lion Print failed to cooperate with, obstructed, or refused to permit the staff's examination when Ms. Yasinska stopped responding to the Division's efforts to contact her in the investigation. (Hearing Tr. 53:1-14; Exhibit 64.)

103. The Division's investigation depended on the Division's ability to obtain information from Ms. Yasinska because she is Lion Print's President, Secretary, Treasurer, and sole employee. (Exhibit 102 at 7, 25; Exhibit 103 at 7, 25.)

104. A stop order is appropriate under Section 8(e) of the Securities Act.

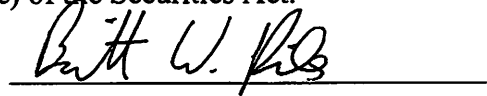
F. Universal Movers

105. Universal Movers failed to cooperate with, obstructed, or refused to permit the staff's examination when Mr. Ahmed refused to comply with the Division's subpoena and provide testimony in the investigation. (Exhibit 56, Exhibit 71.)

106. Mr. Ahmed's testimony was essential to the Division's investigation because he is Universal Movers' President, Chief Executive Officer, Secretary, and Treasurer and is solely responsible for the company's day-to-day operations. (Exhibit 91 at 18, 20; Exhibit 92 at 20, 22; Exhibit 93 at 20, 22.)

107. A stop order is appropriate under Section 8(e) of the Securities Act.

Dated: June 29, 2017



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CERTIFICATE OF SERVICE

I hereby certify that an original and three copies of the foregoing were filed with the Securities and Exchange Commission, Office of the Secretary, 100 F Street, NE, Washington, D.C. 20549-9303, and that a true and correct copy of the foregoing has been served in the form indicated below, on this 29th day of June 2017, on the following persons entitled to notice:

The Honorable Brenda Murray
Administrative Law Judge
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-2557
Service via Hand Delivery and email: ALJ@sec.gov

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Registered Agent for Canso Enterprises, Ltd.
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