

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 58478 / September 8, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13164**

**In the Matter of**

**DMITRY KUPERMAN (A/K/A  
JAMES KAUFMAN, A/K/A  
JIMMY KAUFMAN),**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF  
1934, MAKING FINDINGS, AND  
IMPOSING REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Dmitry Kuperman (also known as James Kaufman, also known as Jimmy Kaufman) (“Kuperman” or “Respondent”).

## II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

## III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Assuming the alias James or “Jimmy” Kaufman, Kuperman held himself out as an employee of unregistered broker-dealer Blue Square Management, Inc. (“Blue Square”) from approximately January 2001 through March 2004. During this period, Blue Square operated as a purported New York City-based venture capital firm in the business of selling securities and specializing in underwriting initial public offerings. Kuperman also held himself out as an employee of Westwood Holdings, Inc. (“Westwood”), another purported New York City-based venture capital firm, from approximately December 2003 through at least February 2004. Neither Blue Square nor Westwood was registered in any capacity with either the Commission or the National Association of Securities Dealers (“NASD,” now known as FINRA). From January 1994 to December 1998, Kuperman was a registered representative at four broker-dealers registered with the Commission and the NASD. Kuperman, 33 years old, resided in the State of New York prior to his current incarceration.

2. On May 16, 2006, Kuperman pled guilty to one count of conspiracy to commit mail fraud, securities fraud and money laundering in violation of Title 18 of the United States Code Section 371 and one count of securities fraud in violation of Title 15 of the United States Code Sections 77q(a) and 77x, before the United States District Court for the District of Connecticut, in United States v. Dmitry Kuperman, Crim. Information No. 3:06-CR-133. On April 16, 2007, the Court entered a judgment against Kuperman, and on May 25, 2007, it entered an amended judgment against him. Kuperman was sentenced to a prison term of seven years followed by two years of supervised release and ordered to pay restitution in the amount of \$3,602,425.

3. The counts of the criminal information to which Kuperman pled guilty alleged, among other things, that:

a. From approximately January 2001 to March 2004, Kuperman and his co-conspirators cold-called potential investors across the country, represented that they worked for a purported New York City-based venture capital firm called Blue Square, and solicited investments

in the securities of a supposed ATM management company. In telephone conversations and follow-up documents sent to investors, Kuperman and his co-conspirators falsely and fraudulently represented that investors would make significant profits in the near future due to an expected initial public offering (“IPO”) and/or buy-out of the company. In truth, the purported ATM management company was a fictitious entity with no actual operations, no profits, and no planned IPO or buy-out.

b. Kuperman and his co-conspirators devised the scheme to defraud investors via Blue Square and set up its physical office operations. Kuperman and one of his co-conspirators also ran the day-to-day operations of Blue Square.

c. Kuperman and his co-conspirators failed to invest the funds received as a result of their solicitations as represented, but instead diverted investors’ funds for their own personal use and benefit. On at least three occasions, Kuperman received funds that had been sent to Blue Square’s accounts from investors, and distributed the cash to other members of the conspiracy.

4. On May 29, 2007, Kuperman pled guilty to grand larceny in the second degree, in violation of New York State Penal Law Section 155.40, before the Supreme Court of the State of New York, New York County, in The People of the State of New York v. Dmitry Kuperman, Crim. Information No. 2620/2007. On August 7, 2007, a judgment in the state criminal case was entered against Kuperman. He was sentenced to a prison term of two-and-a-half to seven-and-a-half years, to run concurrently with his federal sentence.

5. The People’s complaint alleged, among other things, that:

a. Beginning in December 2003, Kuperman and others participated in a scheme under the name of Westwood, which purported to sell legitimate stock opportunities to investors. Kuperman and others placed or supervised the placement of unsolicited telephone calls to numerous individuals throughout the United States. He and others then offered those individuals “investment opportunities,” primarily in a company called “ATM Express,” which was a fictitious company.

b. The individuals who agreed to invest with Westwood sent their money to Westwood’s offices. Westwood’s participants, including Kuperman, distributed the proceeds of those checks among themselves, and did not use any of those funds to pay for any legitimate investments.

c. From December 2003 through January 2005, approximately 90 people sent approximately \$1.2 million to Westwood to purchase what they thought were legitimate stocks but which were actually stocks in fictitious companies or fake stocks in real companies.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Kuperman's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Kuperman be, and hereby is barred from association with any broker or dealer.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Florence E. Harmon  
Acting Secretary