UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58482 / September 8, 2008

Administrative Proceeding File No. 3-13168

In the Matter of Viktor Novosselov (a/k/a David Markowitz)

The U.S. Securities and Exchange Commission (Commission) announced today that it issued an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, and Notice of Hearing (Order) against Viktor Novosselov (a/k/a David Markowitz) (Novosselov). The Order alleges that the Commission previously obtained injunctive relief against Novosselov for violations of the antifraud and registration provisions of the federal securities laws in connection with his role in an offering fraud that raised $3.6 million from over 280 investors.

The Order also alleges that Novosselov pled guilty to one count of conspiracy to commit mail fraud, securities fraud and money laundering, and one count of securities fraud before the United States District Court for the District of Connecticut, in the related criminal action. Novosselov was sentenced to a prison term of 54 months followed by three years of supervised release and ordered to pay restitution in the amount of $3,602,425.

The Order alleges that the counts of the criminal information to which Novosselov pled guilty alleged, among other things, that Novosselov defrauded investors and obtained money and property by means of materially false and misleading statements, that he used the United States mails to send false and misleading promotional materials and account statements, and that he caused commercial interstate carriers to deliver investors’ checks to him.
A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide the Respondent an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions are appropriate and in the public interest. The Order requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of the Order Instituting Proceedings.