

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58476 / September 8, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13162

In the Matter of

**IGOR MALYAR (A/K/A
GEORGE FALCONE AND
MICHAEL SAFIR),**

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 Igor Malyar (also known as George Falcone and Michael Safir) (“Malyar” 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, III.4 and III.6 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 Michael Safir, Malyar helped run the day-to-day operations of unregistered broker-dealer Blue Square Management, Inc. ("Blue Square"), a purported venture capital firm based in New York City's financial district, from approximately October 2002 to February 2004. In addition, assuming the alias George Falcone, Malyar held himself out as the president and CEO of unregistered broker-dealer Westwood Holdings, Inc. ("Westwood"), another purported New York City-based venture capital firm, from approximately January 2004 to January 2005. Malyar, Westwood and Blue Square were not registered in any capacity with either the Commission or the National Association of Securities Dealers ("NASD," now known as FINRA). Malyar, 35 years old, resides in Staten Island, New York.

2. On March 30, 2007, a judgment was entered by consent against Malyar, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b), 15(a) and 15(c) of the Exchange Act and Rule 10b-5 thereunder in the civil action entitled Securities and Exchange Commission v. Viktor Novosselov, et al., Civil Action Number 3:05-CV-951, in the United States District Court for the District of Connecticut.

3. The Commission's complaint alleged, among other things, that:

a. Using the alias Michael Safir, Malyar ran day-to-day operations at the purported venture capital firm Blue Square between approximately October 2002 and February 2004. Blue Square raised \$3.7 million from over 280 people nationwide in a fraudulent offering of securities of an entirely fictitious ATM management company. Malyar reviewed mail and phone messages from investors, maintained numerous documents pertaining to the offering, compiled offering materials to be sent to investors, and deposited investor monies into Blue Square's bank accounts. By engaging in such conduct, Malyar aided and abetted Blue Square and its president's violations of the antifraud provisions of the federal securities laws.

b. Malyar then orchestrated a fraudulent offering of "pre-IPO" (pre-Initial Public Offering) stock via the purported New York City-based venture capital firm Westwood. From approximately January 2004 through at least January 2005, one or more individuals identifying themselves as George Falcone or another Westwood salesperson cold-called potential investors across the country and solicited their investments in the securities of a fictitious ATM-related company.

c. Westwood provided investors with false and misleading statements that erroneously led them to believe their investments would quickly generate high returns due to an expected initial public offering and/or buy-out proposal. In fact, neither the promised initial public offering nor the highly anticipated buy-out ever materialized, as the purported ATM-related company was entirely fictitious and had no actual operations. All told, Westwood raised at least \$1.2 million from over 80 investors nationwide.

d. Using the alias George Falcone, Malyar opened and controlled the bank accounts in which Westwood's investor funds were deposited. He quickly and systematically dissipated investors' funds by transferring the monies to several accounts and withdrawing cash from those accounts via regular check and ATM withdrawals. None of the money was used for the benefit of investors.

e. By engaging in such conduct, Malyar violated the antifraud provisions of the federal securities laws, as well as provisions of the federal securities laws requiring the registration of broker-dealers and the registration of securities offered for sale.

4. On December 15, 2005, Malyar 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. Igor Malyar, Crim. Information No. 3:05-CR-00019.

5. The counts of the criminal information to which Malyar pled guilty alleged, among other things, that Malyar 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.

6. On May 14, 2007, Malyar 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. Igor Malyar, Crim. Information No. 1483/2007.

7. The People's complaint alleged, among other things, that:

a. In November 2003, Malyar and others formed Westwood, whose sole purpose was to defraud investors by selling them non-existent securities. According to the scheme which Malyar helped plan, Westwood representatives cold-called potential investors and solicited investments in the "stock" and "warrants" of a fictitious company called "ATM Express." They further induced investors to buy what were called "IPO" or "pre-IPO" securities in ATM Express. By selling stock in this and other companies in the same or similar manner, Malyar and others stole more than \$50,000 from one investor in a series of fraudulent transactions that took place from approximately February 2004 to November 2004.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Malyar 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