

Press Release

Adviser Charged With Stealing Investor Funds

FOR IMMEDIATE RELEASE

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Washington D.C., Sept. 6, 2017— The Securities and Exchange Commission today charged a New Jersey-based tax preparer and investment adviser with stealing more than \$1 million from clients to support his gambling habit and other personal expenditures.

The SEC alleges that Scott Newsholme of Farmingdale, New Jersey, fabricated account statements, doctored stock certificates, and forged promissory notes as part of a scheme in which he convinced clients seeking his financial planning advice to give him their money to invest in various securities. Instead of investing clients' money, Newsholme allegedly cashed their investment checks at a check-cashing store and pocketed the funds while assuring clients that their assets were safe and flourishing. According to the SEC's complaint, Newsholme used investor money for personal expenses, gambling in Atlantic City, and Ponzi-like payments to clients who sought a return of their funds.

"As alleged in our complaint, Newsholme repaid his clients' trust with betrayal," said Andrew M. Calamari, Director of the SEC's New York Regional Office.

In a parallel action, the U.S. Attorney's Office for the District of New Jersey today announced criminal charges against Newsholme.

The SEC's complaint, filed in Trenton, New Jersey, charges Newsholme with violating Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940. The SEC seeks the disgorgement of ill-gotten gains plus interest, penalties, and permanent injunctions.

The SEC's investigation was conducted by Alix Biel, Neil Hendelman, and Thomas P. Smith Jr., and the litigation will be led by Ms. Biel and Howard Fischer. The case is being supervised by Sanjay Wadhwa. The SEC appreciates the assistance of the U.S. Attorney's Office for the District of New Jersey, the Federal Bureau of Investigation, and the New Jersey Bureau of Securities.

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Related Materials

- [SEC Complaint](#)

