

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83056 / April 17, 2018

INVESTMENT ADVISERS ACT OF 1940
Release No. 4886 / April 17, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18440

In the Matter of

SCOTT NEWSHOLME,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Scott Newsholme (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.4 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, 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. Newsholme, age 42, of Farmingdale, New Jersey, is a tax preparer, accountant, unregistered investment adviser and formerly the proprietor of MVP Financial LLC, in Howell, New Jersey, a tax, accounting and financial planning firm. Between 1998 and 2014, Newsholme was a registered representative associated with two broker-dealers registered with the Commission, until, in 2014, the Financial Industry Regulatory Authority ("FINRA") barred him from association with its member firms for failure to respond to its requests for information. In 2015, Newsholme consented to an order of the New Jersey Bureau of Securities finding, among other things, that he made untrue statements of material facts relating to securities, and engaged in dishonest or unethical business practices in the securities industry.

2. On April 13, 2018, a judgment was entered by consent against Newsholme, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Scott Newsholme, Civil Action Number 3:17-cv-06813, in the United States District Court for the District of New Jersey (Trenton).

3. The Commission's complaint alleged that since 2013, Newsholme misappropriated more than \$1 million from his investment clients to support his lifestyle and gambling habit. To conceal his scheme, Newsholme made various misrepresentations to his clients, including falsely reassuring them that their investments – including retirement accounts – were faring well. To support his verbal misrepresentations, Newsholme fabricated account statements, doctored stock certificates, and forged phony promissory notes purporting to be bonds and other debt instruments. In fact, Newsholme diverted his clients' investment funds for his own use, including cashing their investment checks at a check cashing store and pocketing the money.

4. On April 11, 2018, Newsholme pled guilty to wire fraud, aggravated identity theft and aiding and abetting preparation of false tax returns in violation of Title 18 United States Code, Sections 1343 and 1028A and Title 26 United States Code, Section 7206(2), respectively, before the United States District Court for the District of New Jersey, in United States v. Scott Newsholme.

5. In connection with his plea, Respondent stipulated that his criminal wire fraud involved violation of the federal securities laws and, at the time of the offense, he was an investment adviser and a person associated with a broker or dealer.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Newsholme be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Newsholme be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary