

Edgar Filing: NEWTEK BUSINESS SERVICES INC - Form SC 13G

NEWTEK BUSINESS SERVICES INC

Form SC 13G

October 07, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 13G
(RULE 13D-102)

INFORMATION STATEMENT PURSUANT TO RULES 13D-1 AND 13D-2
UNDER THE SECURITIES EXCHANGE ACT OF 1934

NEWTEK BUSINESS SERVICES, INC.
(Name of Issuer)

COMMON STOCK
(Title of Class of Securities)

652526104
(CUSIP Number)

September 30, 2009
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO 652526104

1. NAMES OF REPORTING PERSONS. I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
Potomac Capital Management LLC
13-3984298
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
(b)
3. SEC USE ONLY

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4. CITIZENSHIP OR PLACE OF ORGANIZATION

Limited Liability Company formed under the laws of the State of New York

| | |
|---|--------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. SOLE VOTING POWER 962,942 |
| | 6. SHARED VOTING POWER 0 |
| | 7. SOLE DISPOSITIVE POWER 962,942 |
| | 8. SHARED DISPOSITIVE POWER 0 |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
962,942 shares of common stock

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
(SEE INSTRUCTIONS) []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
Approximately 2.6%*

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
HC; OO (Limited Liability Corporation)

* Based on 37,038,324 shares of common stock outstanding as of August 10, 2009, and as reported on the Company's Form 10-Q filed on August 13, 2009, for the period ended on June 30, 2009.

CUSIP NO 652526104

1. NAMES OF REPORTING PERSONS. I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS
(ENTITIES ONLY)
Potomac Capital Management Inc.
13-3984786

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a) []
(b) []

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION
Corporation formed under the laws of the State of New York

| | |
|---|--------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. SOLE VOTING POWER 708,499 |
| | 6. SHARED VOTING POWER 0 |
| | 7. SOLE DISPOSITIVE POWER 708,499 |
| | 8. SHARED DISPOSITIVE POWER 0 |

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9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
708,499 shares of common stock
10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
(SEE INSTRUCTIONS) []
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
Approximately 1.9%*
12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
HC; CO

* Based on 37,038,324 shares of common stock outstanding as of August 10, 2009, and as reported on the Company's Form 10-Q filed on August 13, 2009, for the period ended on June 30, 2009.

CUSIP NO 652526104

1. NAMES OF REPORTING PERSONS. I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS
(ENTITIES ONLY)
Paul J. Solit
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a) []
(b) []
3. SEC USE ONLY
4. CITIZENSHIP OR PLACE OF ORGANIZATION
U.S.

| | |
|---|--|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5. SOLE VOTING POWER 374,500 |
| | 6. SHARED VOTING POWER 1,671,441 |
| | 7. SOLE DISPOSITIVE POWER 374,500 |
| | 8. SHARED DISPOSITIVE POWER 1,671,441 |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
The Reporting Person beneficially owns 2,045,941 shares of common stock.
10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
(SEE INSTRUCTIONS) []
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
5.5%*
12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
IN

* Based on 37,038,324 shares of common stock outstanding as of August 10, 2009, and as reported on the Company's Form 10-Q filed on August 13, 2009, for the period ended on June 30, 2009.

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ITEM 1.

- (a) NAME OF ISSUER
NEWTEK BUSINESS SERVICES, INC.
- (b) ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES
1440 Broadway, 17th Floor
New York, NY 10018

ITEM 2.

- (a) NAME OF PERSON FILING
Potomac Capital Management LLC
- (b) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE
825 Third Avenue
33rd Floor
New York, New York 10022
- (c) CITIZENSHIP
Limited Liability Company formed under the laws of the State
of New York.

- (a) NAME OF PERSON FILING
Potomac Capital Management Inc.
- (b) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE
825 Third Avenue
33rd Floor
New York, New York 10022

- (a) NAME OF PERSON FILING
Paul J. Solit
- (b) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE
c/o Potomac Capital Management LLC
825 Third Avenue 33rd Floor
New York, New York 10022

- (c) CITIZENSHIP
U.S. Citizen
- (d) TITLE OF CLASS OF SECURITIES
Common Stock, par value \$0.02 per share
- (e) CUSIP NUMBER
652526104

ITEM 3. Not Applicable

ITEM 4. OWNERSHIP

PROVIDE THE FOLLOWING INFORMATION REGARDING THE AGGREGATE NUMBER AND PERCENTAGE OF THE CLASS OF SECURITIES OF THE ISSUER IDENTIFIED IN ITEM 1.

POTOMAC CAPITAL MANAGEMENT LLC

- (a) AMOUNT BENEFICIALLY OWNED:
962,942 shares of common stock

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- (b) PERCENT OF CLASS:
Approximately 2.6%
- (c) NUMBER OF SHARES AS TO WHICH THE PERSON HAS:
 - (i) SOLE POWER TO VOTE OR TO DIRECT THE VOTE
962,942
 - (ii) SHARED POWER TO VOTE OR TO DIRECT THE VOTE
0
 - (iii) SOLE POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
962,942
 - (iv) SHARED POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
0

POTOMAC CAPITAL MANAGEMENT INC.

- (a) AMOUNT BENEFICIALLY OWNED:
708,499 shares of common stock
- (b) PERCENT OF CLASS:
Approximately 1.9%
- (c) NUMBER OF SHARES AS TO WHICH THE PERSON HAS:
 - (i) SOLE POWER TO VOTE OR TO DIRECT THE VOTE
708,499
 - (ii) SHARED POWER TO VOTE OR TO DIRECT THE VOTE
0
 - (iii) SOLE POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
708,499
 - (iv) SHARED POWER TO DISPOSE OR TO DIRECT THE ISPOSITION OF
0

PAUL J. SOLIT

- (a) AMOUNT BENEFICIALLY OWNED:
2,045,941 shares of common stock
- (b) PERCENT OF CLASS:
Approximately 5.5%
- (c) NUMBER OF SHARES AS TO WHICH THE PERSON HAS:
 - (i) SOLE POWER TO VOTE OR TO DIRECT THE VOTE
374,500
 - (ii) SHARED POWER TO VOTE OR TO DIRECT THE VOTE
1,671,441 shares of common stock
 - (iii) SOLE POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
374,500
 - (iv) SHARED POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
1,671,441 shares of common stock

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

If this Statement is being filed to report the fact that as of the date hereof the Reporting Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following []

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON
Not Applicable.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON
See Exhibit A attached hereto.

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ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP
Not Applicable.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP
Not Applicable.

ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated this October 7, 2009

POTOMAC CAPITAL MANAGEMENT LLC

By: /s/ Paul J. Solit

Paul J. Solit, Managing Member

POTOMAC CAPITAL MANAGEMENT INC.

By: /s/ Paul J. Solit

Paul J. Solit, President

PAUL J. SOLIT

By: /s/ Paul J. Solit

Paul J. Solit

EXHIBIT INDEX

The following exhibits are filed with this report on Schedule 13G:

Exhibit A Identification of entities which acquired the shares which are the subject of this report on Schedule 13G

Exhibit B Joint Filing Agreement dated October 7, 2009 among Potomac Capital Management LLC, Potomac Capital Management, Inc. and Paul J. Solit