

NEWTEK BUSINESS SERVICES INC

FORM 8-K (Unscheduled Material Events)

Filed 8/23/2005 For Period Ending 8/16/2005

Address	100 QUENTIN ROOSEVELT BLVD. GARDEN CITY, New York 11530
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Industry	Business Services
Sector	Services
Fiscal Year	12/31

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): August 16, 2005

Newtek Business Services, Inc.

(Exact Name of Registrant as Specified in Charter)

New York
(State or Other Jurisdiction
of Incorporation)

001-16123
(Commission File Number)

11-3504638
(I.R.S. Employer
Identification No.)

100 Quentin Roosevelt Blvd., Garden City, New York
(Address of Principal Executive Offices)

11554
(Zip Code)

Registrant's telephone number, including area code: (516) 390-2260

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. The words “believe,” “will be able,” “anticipate,” “estimate,” “should,” “will,” “expect,” “continue,” “intend” or similar words are intended to identify forward-looking statements. Such statements involve risks and uncertainties that exist in the operations and business environment of Newtek Business Services, Inc. that could render actual outcomes and results materially different than predicted. Our forward-looking statements are based on assumptions about many factors, including, but not limited to: changes in interest rates or the general economy of the markets in which we operate; economic, technological or regulatory changes affecting the businesses conducted and to be conducted by us; our ability to employ and retain qualified employees; changes in government regulations that are applicable to our regulated small business lending; our ability to identify and complete acquisitions and successfully integrate the businesses we acquire; changes in the demand for the services we or our affiliates offer; the degree and nature of competition; and general volatility of the capital markets and the market price of our common stock. While we believe that our assumptions are reasonable at the time forward-looking statements were made, we caution that it is impossible to predict the actual outcome of numerous factors and, therefore, readers should not place undue reliance on such statements. Forward-looking statements speak only as of the date they are made and we undertake no obligation to update such statements in light of new information or otherwise.

ITEM 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(d) Effective on August 16, 2005, Newtek Business Services, Inc., or Newtek, has elected two new directors to fill vacancies due to the departure of Steven A. Shenfeld effective as of the same date and another which arose due to the resignation of Brian A. Wasserman in mid-June. Michael Schwartz and Sal Mulia were elected to the balance of the one-year terms which expire at the next annual meeting of shareholders in May 2006.

ITEM 9.01. Financial Statements and Exhibits

EXHIBIT NUMBER	DESCRIPTION
99.1	August 18, 2005: Newtek Business Services Names Two New Independent Directors

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 23, 2005

NEWTEK BUSINESS SERVICES, INC.

By: /s/ Barry Sloane

Name: Barry Sloane

Title: Chairman of the Board, Chief Executive Officer,
and Secretary

Exhibit 99.1

FOR IMMEDIATE RELEASE

Newtek Business Services Names Two New Independent Directors

NEW YORK, August 18, 2005 — Newtek Business Services, Inc. (NasdaqNM: “NKBS”, “**Newtek**”), a provider of business services and financial products to the small business market, today announced that Michael Schwartz and Sal Mulia have been elected to fill two vacancies on its Board of Directors. The election of Mr. Schwartz and Mr. Mulia results from the Board’s desire to embody the best practices in corporate governance and maintain the number of board members at seven, five of whom are classified as independent, including Jeffrey Schottenstein, David Beck, Chris Payan, and now Messrs. Schwartz and Mulia.

Michael Schwartz is a partner at Wolf Popper LLP. He is a 1988 graduate of Brooklyn College (City University of New York) where he received a B.S. cum laude in Business Management and Finance. After graduating Brooklyn Law School in 1992, where he earned a Dean’s Merit Scholarship, he has specialized in securities and antitrust class action litigation and shareholder derivative/corporate governance litigation. In 1993 he was admitted to the Bars of the State of New York and the United States District Court for the Southern District of New York, and in 1999, the United States Court of Appeals for the Third Circuit. Mr. Schwartz joined Wolf Popper LLP in 1998 and became a partner in 2003. He began his law career at Pomerantz Haudek Block & Grossman as an associate specializing in securities and antitrust class action litigation and shareholder derivative litigation.

Sal Mulia began his career in finance in 1980 with General Electric’s Financial Services Division, GE Capital. In various assignments he was responsible for developing new businesses as well as creating innovative loan and lease products. In the capacity of lead banker, Mr. Mulia led the acquisition and syndication of \$4.0 billion of loan/lease receivables, and was instrumental in developing the business plan for GE Capital’s entry into SBA lending. Since 1993 Mr. Mulia has been a principal in RTM Financial Services Inc. (“RTM”), an investment and advisory firm dedicated to helping small businesses. In an advisory role, he created Pitney Bowes’ SBA Lending Unit and was responsible for loan portfolio acquisitions. RTM is a principal and equity investor in leasing/lending companies and real estate partnerships and maintains close relationships within the banking community.

Barry Sloane, Chairman and CEO of Newtek Business Services, stated, “In meeting our goal of providing excellent corporate governance for our shareholders, it is with great pleasure that we add two superior choices to our Board of Directors. Both Mr. Schwartz and Mr. Mulia have outstanding credentials to help us in the current regulatory environment as well as with our business lines. Both directors fill vacancies created by the resignation of one inside director Brian Wasserman, who resigned in early June, and Steven A. Shenfeld, who has resigned due to time constraints as well as personal career goals and ambitions. We remain committed to continue our efforts to create a company for the benefit of all shareholders by having a board with five independent directors and two inside directors. We would like to take this opportunity to express our appreciation and commend Steven Shenfeld for his many years of quality service as a director and state that Steve’s guidance, knowledge and judgment will be sorely missed.”

Steven Shenfeld added, “It has been my distinct pleasure to serve as a director on Newtek’s Board but my current business obligations make it increasingly difficult for me to fulfill my obligations to the company. I wish the management team, my fellow directors and associates at Newtek the greatest success in all their future endeavors”.

About Newtek Business Services, Inc.

Newtek Business Services, Inc. is a direct distributor to the small to medium-sized business market. According to the SBA, there are over 23 million small businesses in the United States which in total represent 99.7% of all employers, generate 60—80 percent of all new jobs annually and generate more than 50% of non-farm GDP. Since 1999, Newtek has helped these business owners realize their potential by providing them with the essential tools needed to manage and grow their businesses. Newtek focuses on providing its 45,000 customers with access to financial, management and technological resources that enable them to better grow and compete in today's marketplace. Newtek's products and services include:

- Newtek Small Business Finance: U.S. government-guaranteed small business lending services;
- Newtek Merchant Solutions: electronic merchant payment processing solutions;
- Newtek Insurance Agency: commercial and personal insurance;
- CrystalTech Web Hosting: domain registration, hosting and storage;
- Newtek Financial Information Systems: outsourced digital bookkeeping; and
- Newtek Tax Services: tax filing, preparation and advisory services.

The statements in this release may contain forward looking statements relating to such matters as anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward looking statements. In order to comply with the terms of the safe harbor, Newtek Business Services, Inc. notes that a variety of factors could cause its actual results to differ materially from the anticipated results expressed in the Company's forward looking statements such as intensified competition and/or operating problems and their impact on revenues and profit margins or additional factors as described in Newtek Business Services' 2004 annual report on Form 10-K.

Contacts:

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