

News

**'Financial whiz' says he spent on self, family; 'I feel like I want to strangle him,'
deceived investor says**

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By his own admission, Perry Newman spent \$5 million of his clients' money on himself and his family.

The Hampstead resident is the subject of an investigation that alleges Newman used affinity fraud to fleece the mostly Orthodox Jewish customers who were referred to him as a financial whiz and currency expert.

Instead of buying and selling foreign currency and treasury bonds for his investors, Newman dropped \$41,010 at a Phillips Square jewellery store, paid \$350 a week for a maid, \$600 a week on food for entertaining and \$100 a week on flowers.

He gave \$27,000 cash to the father of one daughter-in-law and \$40,000 cash to another daughter-in-law's father as a contribution to lavish wedding celebrations for two of his sons, Ari and Daniel.

In a seven-year period he wrote cheques to his wife, Sari Stern Newman, for \$415,869 Canadian and \$300,450 U.S. funds, above and beyond the \$750 to \$1,800 per week he gave her to run the household.

Between August 2005 and August 2010, he racked up credit card charges of \$121,000, all paid out of his company account, Dover Investments, which contained his clients' money.

Of the more than \$8 million he was given by those who hoped to make money on the market, he claims \$3.2 was paid out. His family spent the remainder over 15 years.

Newman was deposed on Oct. 26 and 27 as mandated by the Bankruptcy and Insolvency Act. The examination transcripts are now public documents.

Newman's only post secondary education was at Talmudic College in England and his first job in the currency business was assaying gold for a trading company in London.

He freely admits to manufacturing fictitious statements on letterhead he copied and pasted from FC Stone, a legitimate financial institution.

In the deposition, Newman said he lied to his biggest client, Edith Olanoff, trying to discourage her from a \$3 million real estate investment in Israel because without her cash he was finished.

"My whole point was to keep Mrs. Olanoff constantly interested and constantly happy that (sic) she was still my client," he says on Page 114.

Newman told the examiners that he travelled extensively, often with his wife, taking up to six vacations a year, to Mexico, California, Europe and more often to Miami and New York.

The woman who instigated the investigation says she is disgusted with what she now knows.

"Yes, he did spend it all. I feel like I want to strangle him," said Olanoff of the millions she entrusted to Newman over the years.

Olanoff was a last-minute addition to the examination and Newman's surprise at her appearance was total.

"He almost passed out when he saw me," she said from Israel. "He looked like he had aged 20 years. All the other times I saw him he was tanned, tanned from vacationing all over the world on my money."

Dover Financial was registered in the Turks and Caicos Islands in the 1990s and never registered in Quebec with the Autorite des marches financiers or anywhere in Canada.

The alleged Ponzi scheme first came to light last summer when Olanoff hired Montreal lawyer **Neil Stein** to have Newman declared bankrupt, the first step in the possible recovery of her money.

Both the Federal Bureau of Investigation and the Royal Canadian Mounted Police are working with the Montreal police fraud investigation department on this case.

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Photo: Perry Newman is under investigation by police.;

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