

Hampstead man who swindled millions gets 5 years in jail

Fraud artist who claimed to be financial planner lived lavishly off clients' money

BY ANNE SUTHERLAND, THE GAZETTE DECEMBER 6, 2011

The Hampstead man who swindled millions from Orthodox Jews to fund his lavish lifestyle is now in jail.

Perry Newman pleaded guilty to all nine charges of theft, fraud, and forgery and on Nov. 30 was sentenced to five years in prison.

Newman stole in excess of \$6 million from his clients as he represented himself as a financial planner.

His largest client was Edith Olanoff, originally from New York and now living in Israel.

She met Newman in 2005 through a Manhattan accountant and was informed in May 2010 by the FBI that documents sent to her every month purporting to be statements from a reputable securities firm were forgeries.

"Imagine my shock when I found out that Newman never made a single investment and that all the statements from the last 5½ years showing my treasury bonds and interest were forgeries," Olanoff told The Gazette. Newman travelled extensively - six vacations a year to Mexico, California, Europe and Miami - sent his sons to expensive U.S. colleges and paid for large weddings in the years he had control of Olanoff 's money. He purchased jewellery for his wife and donated to charity on a grand scale.

In a deposition for bankruptcy and insolvency taken in October 2010, Newman admitted dropping \$41,000 at a Phillips Square jewellery store and that he paid \$350 a week for a maid, \$100 a week for flowers and \$600 a week for food and entertainment.

When his sons Ari and Daniel were married, he gave \$27,000 cash to the father of one daughter-in-law and \$40,000 to the other as his contribution to the lavish wedding receptions.

In a seven-year time period, he wrote cheques to his wife, Sari Stern Newman, for \$415,869 Cdn. and \$300,450 U.S., in addition to the \$750 to \$1,800 per week he gave her to run the household. Credit card charges of \$121,000 run up between August 2005 and August 2010 were paid out of his company's account, Dover Investments, which contained Olanoff 's money. Olanoff hired Montreal law firm Stein and Stein to go after Newman in 2010, and the lawyers have sued the wife and sons for reimbursement of the missing money.

"Mrs. Olanoff would like her money, but she told us she was satisfied with the serious sentence," lawyer Neil Stein said.

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