

NEWTEK BUSINESS SERVICES INC
Form SC 13G/A
April 20, 2010

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(02-02) contained in this form are not required to respond unless the form
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 13G/A
(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, par value \$0.02 per share
(Title of Class of Securities)

652526104
(CUSIP Number)

March 18, 2010
(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

4. CITIZENSHIP OR PLACE OF ORGANIZATION

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

NUMBER OF 5. SOLE VOTING POWER

SHARES 940,998(1)

BENEFICIALLY

OWNED BY 6. SHARED VOTING POWER

EACH 0

REPORTING

PERSON WITH 7. SOLE DISPOSITIVE POWER

940,998(1)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

940,998 shares of common stock(1)

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%(2)

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

HC; OO (Limited Liability Corporation)

(1) Potomac Capital Management LLC may be deemed to hold an indirect beneficial interest in these shares, which are directly beneficially owned by Potomac Capital Partners, LP. Potomac Capital Management LLC is the General Partner of Potomac Capital Partners, LP. Mr. Paul J. Solit is the Managing Member of Potomac Capital Management, LLC.

(2) Based on 36,727,139 shares of common stock outstanding as of February 26, 2010, and as reported on the Company's Form 10-K filed on March 15, 2010, for the fiscal year ended on December 31, 2009.

CUSIP NO 652526104

1. NAMES OF REPORTING PERSONS. I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Potomac Capital Management II LLC
13-3984298

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

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

NUMBER OF 5. SOLE VOTING POWER

SHARES 81,144(3)

BENEFICIALLY

OWNED BY 6. SHARED VOTING POWER

EACH 0

REPORTING

PERSON WITH 7. SOLE DISPOSITIVE POWER

81,144(3)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

81,144 shares of common stock(3)

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 0.2%(4)

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

HC; OO (Limited Liability Corporation)

(3) Potomac Capital Management II, LLC may be deemed to hold an indirect beneficial interest in these shares, which are directly beneficially owned by Potomac Capital Partners II, LP. Potomac Capital Management II, LLC is the

General Partner of Potomac Capital Partners II, LP. Mr. Paul J. Solit is the Managing Member of Potomac Capital Management II, LLC.

(4) Based on 36,727,139 shares of common stock outstanding as of February 26, 2010, and as reported on the Company's Form 10-K filed on March 15, 2010, for the fiscal year ended on December 31, 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 5. SOLE VOTING POWER

SHARES 383,200

BENEFICIALLY

OWNED BY 6. SHARED VOTING POWER

EACH 1,022,142

REPORTING

PERSON WITH 7. SOLE DISPOSITIVE POWER

383,200

8. SHARED DISPOSITIVE POWER

1,022,142

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

The Reporting Person beneficially owns 1,405,342 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)

3.8%(7)

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

(7) Based on 36,727,139 shares of common stock outstanding as of February 26, 2010, and as reported on the Company's Form 10-K filed on March 15, 2010, for the fiscal year ended on December 31, 2009.

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 II 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

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:
940,998 shares of common stock
- (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
940,998
 - (ii) SHARED POWER TO VOTE OR TO DIRECT THE VOTE
0
 - (iii) SOLE POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
940,998
 - (iv) SHARED POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
0

POTOMAC CAPITAL MANAGEMENT II LLC

- (a) AMOUNT BENEFICIALLY OWNED:
81,144 shares of common stock
- (b) PERCENT OF CLASS:
Approximately 0.2%
- (c) NUMBER OF SHARES AS TO WHICH THE PERSON HAS:
 - (i) SOLE POWER TO VOTE OR TO DIRECT THE VOTE
81,144
 - (ii) SHARED POWER TO VOTE OR TO DIRECT THE VOTE
0
 - (iii) SOLE POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
81,144
 - (iv) SHARED POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF
0

PAUL J. SOLIT

- (a) AMOUNT BENEFICIALLY OWNED:
1,405,342 shares of common stock

(b) PERCENT OF CLASS:

Approximately 3.8%

(c) NUMBER OF SHARES AS TO WHICH THE PERSON HAS:

(i) SOLE POWER TO VOTE OR TO DIRECT THE VOTE

383,200

(ii) SHARED POWER TO VOTE OR TO DIRECT THE VOTE

1,022,142 shares of common stock

(iii) SOLE POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF

383,200

(iv) SHARED POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF

1,022,142 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 [X]

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.

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 April 20, 2010

POTOMAC CAPITAL MANAGEMENT LLC

By: /s/ Paul J. Solit

Paul J. Solit, Managing Member

POTOMAC CAPITAL MANAGEMENT II LLC

By: /s/ Paul J. Solit

Paul J. Solit, Managing Member

PAUL J. SOLIT

By: /s/ Paul J. Solit

Paul J. Solit

EXHIBIT INDEX

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

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

Exhibit B Joint Filing Agreement dated April 20, 2010 among Potomac Capital Management LLC, Potomac Capital Management II LLC, and Paul J. Solit