



SEC halts South Florida Ponzi scheme targeting small businesses

By [Ashley Portero](#) – Reporter, South Florida Business Journal
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The U.S. Securities and Exchange Commission obtained a temporary restraining order and asset freeze against two South Florida men and companies accused of operating a \$6 million Ponzi scheme. According to the SEC's complaint, Boca Raton resident [Neil Burkholz](#) and Pembroke Pines resident [Frank Bianco](#) allegedly conducted a securities fraud scheme through Coconut Creek-based entities Palm Management and Shore Management.

The scheme defrauded at least 55 investors, the SEC said in its complaint, filed in U.S. District Court for the Southern District of Florida.

"Among other things, this emergency relief prohibits the defendants from soliciting new investors, freezes their assets, and orders them to provide a sworn accounting of their assets." said [Carolyn M. Welshhans](#), associate director in the SEC's Division of Enforcement.

Burkholz is founder and co-CEO of Palm Management, which controls an investment fund called Palm Financial LLC, according to the complaint, which was unsealed Nov. 18.

He is also co-founder and manager of Shore Management, which reportedly manages an investment fund called Shore Partners LLC. The SEC said neither entity was registered with the commission. Bianco is co-CEO of Palm Management and co-founder and manager of Shore Management, the complaint said.

The SEC alleges Burkholz and Bianco invested less than half of the \$6 million they raised from investors between 2014 and 2019. The investments they did make resulted in near complete losses, according to the complaint.

In order to appear profitable, the defendants allegedly used new investor money to repay previous investors, the SEC said. They also reportedly sent false reports to investors to give the impression they were generating positive returns.

Burkholz and Bianco allegedly transferred \$880,000 of investor funds to themselves and their spouses for personal use, the complaint said.

Attorney information for Burkholz and Bianco was not listed in court documents.

According to the complaint, most of the victims were senior citizens, including multiple Florida-based small-business owners.

Burkholz's wife, [Rhoda Burkholz](#), and Bianco's wife, [Suzanne Bianco](#), are accused of accepting money derived from the investment scheme, but are not charged with violating federal securities law.

Rhonda Burkholz received at least \$157,564 in investor proceeds, while [Suzanne Bianco](#) received \$55,727, the complaint said.

[David Chase](#), the attorney representing [Rhoda Burkholz](#), said the SEC did not accuse his client of participating in the alleged securities fraud.

"She's an innocent spouse and only named because the SEC alleges she received money through her husband," he said.

