

# Big Brokers Rebuild After Compliance Flaps at Goldman, Morgan Stanley

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by Thomas Coyle

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A career Goldman Sachs broker and a former Morgan Stanley duo who left earlier this summer after allegations they ran afoul of compliance rules are re-emerging as independent investment advisers.

Scott Neu, who had been with Goldman Sachs for 17 years, has started his own registered investment advisory firm, Sage Mountain Advisors, in Atlanta, according to his attorney, Ross Intelisano of Rich, Intelisano & Katz in New York.

Neu, who had generated around \$11 million in production before his termination, left Goldman Sachs abruptly in June. According to a U5 filing last week, Goldman terminated his registration August 27 for “allegations relating to practices relating to allocating shares in new issue.” His record shows no other so-called disclosure events or client complaints.

“[Neu] was a loyal and professional advisor at Goldman for over 17 years and has a spotless record,” said Intelisano. “[He] has never been the subject of any customer complaints or arbitrations, including for any new issue allocation practices.”

Neu is still in the process of establishing the firm, which does not yet appear on BrokerCheck or SEC investment advisor registration databases. He could not be reached for comment.

A spokeswoman for Goldman did not return a request for comment.

Separately, in a previously unreported departure in May, a Morgan Stanley duo William Goettert and John Entenberg, who also had clean compliance records in their more than 40 years of combined experience, were “permitted to resign” after allegations that they made “payments to another representative outside firm systems,” according to BrokerCheck.

The two, who reportedly oversaw around \$1 billion in client assets when they joined Morgan Stanley in 2015 from Citigroup, had made payments to a member of the support staff from their own pockets, a violation that the firm uncovered during a routine branch audit, according to a source close to the team.

The terminations illustrate big firms' increasing sensitivity to infractions at a time when regulators have been stepping up policing of once small-ball or common infractions, say lawyers and recruiters.

“There has been a drastic uptick in firms' lack of tolerance for any sort of compliance breach,” said Howard Diamond, a headhunter in Morristown, N.J., who said he was not familiar with the circumstances of the terminations. “Taking a harder line with brokers has been the norm in this recent period.”

A Morgan Stanley spokeswoman said she could not immediately comment.

Goettert, a veteran of 28 years, and Entenberg, a 23-year veteran, are expected to join registered investment adviser Sky Alpha Asset Advisors, according to a source. The firm which is based in Coral Springs, Florida, was founded in April by two former Morgan Stanley brokers Michael J. Shatsky and Alex Lee, according to the firm ADV.

Neither Shatsky nor Lee, who left a Morgan Stanley Boca branch in November and worked briefly at Oppenheimer, returned messages seeking comment.

Goettert, who started at IDS Marketing Corporation, and Entenberg, who started at Citicorp in 1994, did not return messages left with a receptionist at Sky Alpha who declined to confirm their employment status. They are not currently registered with a firm, according to BrokerCheck and SEC licensing databases.

Their departures add to a list of abrupt exits from Morgan Stanley in Boca Raton and nearby West Palm Beach this year, including a broker John Moy, former branch manager, Robert McCabe, and a senior consulting group advisor Larry Goldstock.

*—Mason Braswell contributed to this story.*