

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF determining
Whether there has been a violation of the
Securities Act of Washington by:

Robert B. Pyles,
Aka R. Bruce Pyles,
Aka Stan Taylor

Respondent.

SDO – 40-02

**AMENDED STATEMENT OF CHARGES
AND NOTICE OF INTENT TO ISSUE AN
ORDER SUSPENDING REGISTRATION AND
IMPOSING FINES**

Case No. 01-06-242

THE STATE OF WASHINGTON TO: Robert B. Pyles
Aka R. Bruce Pyles
Aka Stan Taylor
50 Harms Way
Pt. Ludlow, WA 98635

INTRODUCTION

On May 16, 2002, the Securities Administrator of the State of Washington issued a Statement of Charges and Notice of Intent to Issue an Order Suspending Registration and Imposing Fines SDO 40-02, hereinafter referred to as the "Statement of Charges." After the entry of SDO 40-02, certain information came to the attention of the Securities Administrator that requires amendment of SDO 40-02. The Securities Administrator now proceeds to amend the Statement of Charges by making additional Tentative Findings of Fact and Conclusions of Law, as set forth below, and giving notice of the amendments.

AMENDED STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, Robert B. Pyles, has engaged in dishonest and unethical practices in the securities business while employed as a registered securities salesperson for CIBC Oppenheimer, and that those practices justify a

**AMENDED STATEMENT OF CHARGES AND
NOTICE OF INTENTION TO SUSPEND
SECURITIES SALESPERSON REGISTRATION
AND IMPOSE FINES**

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Olympia, WA 98507-9033
360-902-8760

1 suspension of Respondent's securities salesperson registration and imposing fines pursuant to RCW 21.20.110.

2 The Securities Administrator finds as follows:

3 **TENTATIVE FINDINGS OF FACT**

4 **RESPONDENT**

5 1. Robert B. Pyles, aka R. Bruce Pyles ("Pyles"), aka Stan Taylor, is registered with the State of
6 Washington as a securities salesperson for Morgan Stanley DW Inc. ("Morgan Stanley"). Morgan Stanley is a
7 broker/dealer of securities and has its principal place of business at 1585 Broadway, New York, NY 10036.

8 2. Pyles' office of employment with Morgan Stanley is 601 Union Street, Suite 2900 Lynwood, WA
9 98101.

10 3. Prior to his employment with Morgan Stanley in December 2000, Pyles was previously employed, as a
11 securities salesperson for First Union Securities, Inc. from October 1999 through December 2000; First Union Capital
12 Markets Corp from January 1998 through October 1999; and CIBC Oppenheimer from March 1989 through December
13 1997.

14 4. On or about May 17, 2002, the Securities Division attempted to serve Pyles, with SDO-40-02, via
15 Certified Mail, at the residential address listed on the Central Registration Depository, as of May 13, 2002. A courtesy
16 copy of the SDO-40-02 was also sent to Pyles' office of employment. On or about June 4, 2002, the U.S. Postal Service
17 returned the documents to the Securities Division, as unclaimed.

18 **NATURE OF PYLES' CONDUCT**

19 Pyles accepted a loan from a customer.

20 5. On or about September 20, 1996, one of Pyles' customers, a 77-year-old widow, loaned him Twenty-
21 Five Thousand Dollars (\$25,000).

22 6. The customer made out a Check No. 942, payable to the order of Bruce Pyles, in the amount of
23 \$25,000 ("Customer's Check"). The Customer's Check is dated September 20, 1996 and contains the word "loan"
24 in the memo field.

25 **AMENDED STATEMENT OF CHARGES AND 2**
26 **NOTICE OF INTENTION TO SUSPEND**
27 **SECURITIES SALESPERSON REGISTRATION**
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1 7. On or about September 30, 1996, the Customer's Check was deposited to an account at Chase
2 Manhattan Bank, using the endorsements "deposit only," account number¹, and a signature showing the name "Bruce
3 Pyles."

4 8. The Customer has not been repaid.

5 Pyles failed to timely file change of address.

6 9. On or about June 5, 2002, Pyles, filed an amended U-4 through the Central Registration Depository,
7 stating that his residential address changed on February 2001 to 50 Harms Way, Port Ludlow, WA 98635.

8 10. On or about June 6, 2002, Respondent Robert B. Pyles ("Pyles"), signed an Application for
9 Adjudicative Hearing ("Application for Hearing"). The Application for hearing bears facsimile markings showing
10 that it was faxed to Mr. Pyles on May 22, 2002. Pyles returned the Application for Hearing to the Securities
11 Division in an envelope bearing a postmark date of June 6, 2002. In the Application for Hearing Pyles requested a
12 hearing, stated that a Morgan Stanley DW, Inc. Attorney, would represent Pyles but had not been assigned, and
13 noted a change of address to 50 Harms Lane, Port Ludlow, WA 98365.

14 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

15 **CONCLUSIONS OF LAW**

16 1. Pyles, as described above, engaged in one or more dishonest or unethical practices in the securities
17 business, as defined by WAC 460-22B-090(1), by engaging in the practice of borrowing money from a customer.

18 2. Pyles, as described above, failed to comply with his duty to update his licensing application within
19 thirty (30) days of the occurrence of the event of changing his residence, as required by WAC 460-22B-060(1).

20 **NOTICE OF INTENT TO SUSPEND SECURITIES SALESPERSON REGISTRATION**

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¹ The account number is not shown for purposes of privacy protection.

1 Pursuant to RCW 21.20.110(1), and based upon the above Amended Tentative Findings of Fact and
2 Conclusions of Law, the Securities Administrator intends to order that Respondent Pyles securities salesperson
3 registration be suspended.

4 **NOTICE OF INTENT TO IMPOSE FINES**

5 Pursuant to RCW 21.20.110(3), and based upon the above Amended Tentative Findings of Fact and
6 Conclusions of Law, the Securities Administrator intends to order that Respondent Pyles shall be liable for and pay a
7 fine for each violation.

8 **AUTHORITY AND PROCEDURE**

9 This STATEMENT OF CHARGES AND NOTICE OF INTENTION TO SUSPEND SECURITIES
10 SALESPERSON REGISTRATION is entered pursuant to the provisions of RCW 21.20.110 and is subject to the
11 provisions of RCW 21.20.120, and ch. 34.05 RCW. The respondent, Robert B. Pyles may make a written request for a
12 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
13 accompanying this order. If Mr. Pyles does not request a hearing in this matter, the Securities Administrator will make
14 the foregoing Tentative Findings of Fact and Conclusions of Law permanent and enter an order suspending Mr. Pyles's
15 securities salesperson registration and imposing a Five Thousand Dollar (\$5,000) fine for each violation.

16 DATED this 12th day of June 2002.

17 

18 DEBORAH R. BORTNER
19 Securities Administrator

20 Presented by:

21 _____
22 Kristina L. Kneip
23 Financial Legal Examiner

24 Approved by:

25 _____
26 Michael E. Stevenson
27 Chief of Enforcement

28 **AMENDED STATEMENT OF CHARGES AND 4**
29 **NOTICE OF INTENTION TO SUSPEND**
30 **SECURITIES SALESPERSON REGISTRATION**
31 **AND IMPOSE FINES**

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