

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,

Respondent.

SDO – 40-02

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  
2508 113<sup>th</sup> Pl. SE  
Everett, WA 98208

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

The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

**RESPONDENT**

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

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

STATEMENT OF CHARGES AND INTENTION TO SUSPEND  
SECURITIES SALESPERSON REGISTRATION

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 3. Prior to his employment with Morgan Stanley in December 2000, Pyles was previously employed, as a  
2 securities salesperson for First Union Securities, Inc. from October 1999 through December 2000; First Union Capital  
3 Markets Corp from January 1998 through October 1999; and CIBC Oppenheimer from March 1989 through December  
4 1997.

### 5 NATURE OF PYLES' CONDUCT

#### 6 Pyles accepted a loan from a customer.

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

9 5. The customer made out a Check No. 942, payable to the order of Bruce Pyles, in the amount of  
10 \$25,000 ("Customer's Check"). The Customer's Check is dated September 20, 1996 and contains the word "loan"  
11 in the memo field.

12 6. On or about September 30, 1996, the Customer's Check was deposited to an account at Chase  
13 Manhattan Bank, using the endorsements "deposit only," account number<sup>1</sup>, and a signature showing the name "Bruce  
14 Pyles."

15 7. The Customer has not been repaid.

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

### 17 CONCLUSIONS OF LAW

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

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

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

24 <sup>1</sup> The account number is not shown for purposes of privacy protection.

1 **NOTICE OF INTENT TO IMPOSE FINES**

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

5 **AUTHORITY AND PROCEDURE**

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

13 DATED this 16th day of May, 2002.

14 

15 \_\_\_\_\_  
16 DEBORAH R. BORTNER  
17 Securities Administrator

18 Presented by:

19 \_\_\_\_\_  
20 Kristina L. Kneip  
21 Financial Legal Examiner

22 Approved by:

23 \_\_\_\_\_  
24 Michael E. Stevenson  
25 Chief of Enforcement

26 STATEMENT OF CHARGES AND TRATION AND 3  
27 NOTICE OF INTENTION TO SUSPEND  
SECURITIES SALESPERSON REGISTRATION

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