



# COMMISSION NEWS

---

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

---

TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

DATE: 9/12/00  
CONTACT: Heather Murphy (602) 542-0844

## **COMMISSION ORDERS ONE YEAR SUSPENSION OF SECURITIES SALESMAN**

PHOENIX – The Arizona Corporation Commission suspended for one year the registration of securities salesman Richard John Pello, formerly the Administrative Manager for Merrill Lynch's Scottsdale Complex offices.

According to the Commission's order, Mr. Pello was responsible for filing a false affidavit in federal court on November 8, 1999. In the affidavit, Mr. Pello represented to the court that an employment agreement with restrictive covenants existed between Merrill Lynch and another registered securities salesman, who had left Merrill Lynch for PaineWebber on November 5, 1999. In fact, the departing salesman had not signed the employment agreement, and Mr. Pello had photocopied the salesman's signature from a genuine document onto a blank contract form.

Relying upon Pello's affidavit, Judge Robert C. Broomfield of the U.S. District Court issued a temporary restraining order against the salesman preventing him and PaineWebber from doing business with customers that he had served during his tenure at Merrill Lynch. The order remained in effect until six days later, when the defendant salesman obtained the opinion of an expert questioned-documents examiner that the

signature on the contract was not genuine. Mr. Pello agreed to the Order without admitting or denying any guilt.

Arizona Corporation Commission Chairman, Carl J. Kunasek commented on today's action stating: "Individuals who want to engage in the securities business in Arizona must have the proper registration and conduct their business honestly. This applies not only to transactions with investors, but also to their dealings with other securities professionals."

Calling Mr. Pello's action anti-competitive, Commissioner Jim Irvin stated that "securities professionals have a responsibility to compete fairly and equitably, and we hope that today's order will deter those who might be tempted to engage in this kind of behavior." Commissioner Mundell added, "Submitting a false affidavit to a court, and obtaining an injunction on that basis, is a serious breach of business ethics which warrants our revocation of Mr. Pello's license."

Securities Division Director Mark Sendrow advised, "The Securities Division intends to hold registered securities salesmen accountable for dishonest conduct." Sendrow encourages the public to contact the Division with any questions or concerns about the securities market. The Securities Division can be reached by phone at (602) 542-4242, toll free at (877)811-3878, by e-mail at [accsec@ccsd.cc.state.az.us](mailto:accsec@ccsd.cc.state.az.us), or through its web site at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us).

###