



COMMISSION NEWS

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

TO: EDITORS, NEWS DIRECTORS
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FOUR ELDERLY WIDOWS VICTIMIZED BY LICENSED INSURANCE AGENT

PHOENIX—The Arizona Corporation Commission Securities Division recently issued an order against licensed insurance agent Philip Michael Scafetta, 49, of Chandler. Scafetta was ordered to pay restitution of \$114,200 plus administrative penalties for securities violations and the sale of unsuitable annuities to elderly widows. Scafetta was not registered as a securities salesman.

The Commission found that Scafetta engaged in a pattern of persuading at least four victims to move money out of investments into annuities, some of which wouldn't mature until the victims were over 100 years old. Scafetta earned substantial commissions as a result of the transactions. The victims were subject to hefty capital gains taxes by liquidating their original investments.

In addition to restitution and administrative penalties, Scafetta has been barred from applying for registration in Arizona as a securities dealer or salesman. He is also prohibited from obtaining a license as an investment adviser or representative.

Mark Sendrow, Director of the Securities Division, cautions the public to “always check with the Securities Division for registration of securities dealers to avoid potential investment disasters. Be wary of agents who encourage investments that do not take into consideration your age, financial status or tolerance for risk.”

For information concerning the legitimacy of securities or the registration of dealers, contact the Arizona Corporation Commission Securities Division at 602-542-4242, toll free at 1-877-811-3878 or visit the Division's website at www.ccsd.cc.state.az.us.