

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

V.

BILL Q. CHEN
(CRD No. 4442892)

Respondent.

Disciplinary Proceeding
No. 2007011324501

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REGISTRATION & COMPLAINTS

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Bill Q. Chen engaged in improper use of a bank customer's funds when, during the course of his employment with a bank affiliate of a FINRA member, and without the customer's knowledge, authorization, or consent, Chen caused the transfer of \$10,000.00 from the customer's bank account to the account of an acquaintance of Chen's to whom Chen owed money, in violation of NASD Conduct Rule 2110.

RESPONDENT AND JURISDICTION

2. From January 26, 2007 through November 19, 2007, Chen was associated with Wells Fargo Investments, LLC (WFI), a member of FINRA, as a General Securities Representative. Chen currently is associated with another FINRA member firm in the same capacity.

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CAUSE OF ACTION
(UNETHICAL CONDUCT - Misuse of Funds)
(Violation of NASD Conduct Rule 2110)

3. The Department of Enforcement realleges and incorporates by reference paragraph numbers 1 and 2, above.

4. In or about November 2007, Chen was employed by both WFI and an affiliated bank (Bank). On the bank side, Chen was designated as a private banker, with authority to move funds up to \$1,000,000.00 without prior approval; on the broker-dealer side, he was a registered representative who could engage in securities transactions with principal amounts of \$100,000.00 or less.

5. Earlier during 2007, Chen entered into an oral agreement with a business acquaintance (CC), who also was a Bank customer. As a result, Chen owed CC \$10,000.00 that Chen understood was due and payable on or before November 15, 2007.

6. On or about November 14, 2007, Chen did not have access to funds to pay CC the amount due. Chen was aware of another Bank customer (MF) whose account held an amount equal to or greater than \$10,000.00. On or about that date, MF had given Chen oral authorization to re-invest the proceeds of a matured certificate of deposit (CD) into another CD, for her exclusive benefit.

7. On or about November 14, 2007, without MF's knowledge, or authorization, or consent, Chen caused the transfer of \$10,000.00 from MF's Bank account to CC's Bank account.

8. On or about November 15, 2007, the Bank's operations personnel detected the transaction and investigated by, among other things, contacting Chen. Chen then reversed the transaction.

9. The unauthorized misuse of MF's funds constitutes conduct inconsistent with the high standards of commercial honor and just and equitable principles of trade and the foregoing conduct constitutes separate and distinct violations of NASD Conduct Rule 2110 by Chen.

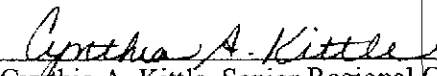
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: December 31, 2008


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