

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

BILL Q. CHEN
(CRD No. 4442892)

Respondent.

Disciplinary Proceeding
No. 2007011324501

Hearing Officer - MC

Date: February 12, 2009

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REGISTRATION & DISCLOSURE

INTRODUCTION

Disciplinary Proceeding No. 2007011324501 was filed on December 31, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Bill Q. Chen (Chen) submitted an Offer of Settlement (Offer) to Complainant on January 28, 2009. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of

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the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

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. Chen has no prior disciplinary history.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

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.

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.

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.

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.

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.

Based on the foregoing, Chen violated NASD Conduct Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be barred from association with any FINRA member in any capacity.

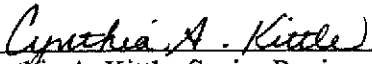
The sanctions imposed herein shall be effective on a date set by FINRA staff.

Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority


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