

**FINANCIAL INDUSTRY REGULATORY AUTHORITY**

**OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Vladimir Khosid  
(CRD No. 5603183),

Respondent.

DISCIPLINARY PROCEEDING  
No. 2010023570001

**COMPLAINT**

The Department of Enforcement alleges:

**SUMMARY**

1. While registered as a broker with a FINRA regulated broker-dealer and acting as assistant manager at a bank affiliate of that broker-dealer, Respondent Vladimir Khosid ("Khosid" or "Respondent"), together with an unregistered co-conspirator, wrongfully converted \$96,847 from the bank account of a deceased customer. Respondent received \$25,000 for his role in the wrongful conversion. In connection with this conversion, in November 2010, Khosid pled guilty in the United States District Court, Northern District of California, to Financial Institution Fraud (18 U.S.C. section 1344), Conspiracy to Commit Financial Institution Fraud (18 U.S.C. section 1349), and Theft, Embezzlement, or Misapplication by Bank Officer or Employee (18 U.S.C. section 656). In July 2011, Khosid was sentenced to serve six months in prison.

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## **RESPONDENT AND JURISDICTION**

2. Khosid entered the securities industry in October 2008 as a General Securities Representative with Wells Fargo Investments, LLC, a FINRA regulated broker-dealer (the "Firm"). Since October 2008, Khosid was also dually employed with a banking affiliate of the Firm, Wells Fargo Bank. Khosid remained associated with the Firm until June 2010 when his employment was terminated.
3. Khosid is not currently associated with a FINRA regulated broker-dealer. However, FINRA retains jurisdiction over him pursuant to Art. V, Section 4 of FINRA's By-Laws because the Department filed this complaint within two years of Khosid's disassociation with a FINRA regulated broker-dealer.

## **CAUSE OF ACTION**

### **(Wrongful Conversion - FINRA Rule 2010)**

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. In or about May 2010, while an assistant branch manager at Wells Fargo Bank, Khosid, without permission or authority, wrongfully processed two bank wire transfers where funds totaling \$98,847 were transferred from the account of a deceased Wells Fargo Bank customer, RH, to the account of Khosid's co-conspirator, JF.
6. In or about May 2010, Khosid was compensated \$25,000 by JF for his role in the wrongful conversion of RH's funds.

7. On or about June 29, 2010, during an interview with a Wells Fargo Bank investigator, Khosid admitted to participating in the wrongful conversion of RH's funds.
8. Subsequently, Khosid admitted to Enforcement his role in the wrongful conversion. Khosid stated that he accepted a wire transfer submitted to him by JF that he knew was "fraudulent." Khosid further admitted that he was aware customer RH was deceased at the time of the transfer and that the proceeds of the wire transfer were going into JF's account. Khosid also admitted that JF transferred \$25,000 to Khosid in May 2010 as a result of Khosid's participation in the scheme.
9. In connection with Khosid's activities described above, in November 2010, Khosid pled guilty in the United States District Court, Northern District of California, to Financial Institution Fraud (18 U.S.C. section 1344), Conspiracy to Commit Financial Institution Fraud (18 U.S.C. section 1349), and Theft, Embezzlement, or Misapplication by Bank Officer or Employee (18 U.S.C. section 656).
10. As part of his guilty plea, Khosid admitted that he "helped transfer money out of an account that was not his to another person while being employed by [Wells Fargo Bank]," and when Khosid "knew the money did not belong to him."
11. In July 2011, Khosid was sentenced to serve six months in prison.
12. The above acts, practices and conduct constitute a violation of FINRA Rule 2010.

**RELIEF REQUESTED**

**WHEREFORE**, Enforcement respectfully requests that the Panel:

- A. Order that one or more of the sanctions provided under FINRA Rule 8310(a), including a permanent bar from associating with any FINRA regulated broker-dealer, 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: 12-12-11



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