

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Anna Zaichik,
CRD No. 2599632

Respondent.

Disciplinary Proceeding
No. 20100254639

Hearing Officer
Sara Nelson Bloom

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: July 5, 2012

INTRODUCTION

Disciplinary Proceeding No. 20100254639 was filed on April 30, 2012, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Anna Zaichik ("Respondent" or "Zaichik") submitted an Offer of Settlement (Offer) to Complainant dated June 29, 2012. 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 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

Zaichik became employed as a branch relationship banker with the bank affiliate ("Bank Affiliate") of HSBC Securities Inc. ("HSBC" or the "Firm") in June 2009 and as a registered representative with HSBC in July 2009. In her position with the Bank Affiliate, she sold financial products to the Bank Affiliate's existing customers. Zaichik's securities registrations with HSBC were terminated on October 29, 2010, following criminal charges being issued against her that were unrelated to securities and any customers of the Firm.

Prior to her association with HSBC, Zaichik was employed as a relationship manager and financial services representative with a number of other banks, insurance companies and their registered affiliated entities. She received her Series 6 and 63 licenses in 1995.

Although Zaichik is no longer registered or associated with a FINRA member, she remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to Article V, Section 4 of FINRA's By-Laws, because the Complaint was issued within two years after the effective date of termination of Zaichik's registration with HSBC.

FINDINGS AND CONCLUSIONS

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

Zaichik, a former employee of FINRA registrant HSBC and the Bank Affiliate, was terminated by the Firm and the Bank Affiliate after criminal charges were filed against Zaichik and others.

On October 13, 2010, the U.S. Attorney for the Southern District of New York unsealed indictments and arrested 41 members of an alleged organized crime ring (the “Organization”) on charges of racketeering, health care fraud, bank fraud and identity theft. At the same time, similar indictments were unsealed in related cases by U.S. Attorneys’ offices in four other cities. In all, a total of 73 members of the Organization were arrested that day.

The indictments allege that over the period from at least 2006 through October 13, 2010, the Organization stole the identities of doctors and filed applications to bill Medicare in the names of their purported clinics for services rendered to thousands of legitimate Medicare beneficiaries whose identities were also stolen. According to the indictments, there were no real medical clinics behind the fraudulent billings, just stolen doctors’ identities, and there were no real patients.

According to the indictments, the defendants’ purported conspiracy involved opening bank accounts for a total of 118 fraudulent medical clinics located in 25 states and then submitting over \$100 million in bogus claims to Medicare for treatments doctors had never performed and patients had never received. The indictments allege that Medicare then sent the reimbursement checks to the bank accounts of the fictitious medical clinics. According to the

indictments, the Organization withdrew the deposited funds and transferred a large portion of the money out of the country.

Zaichik's purported role in the conspiracy involved Zaichik allegedly opening up bank accounts for two of the fraudulent medical clinics at different banks, one of which was the Bank Affiliate.

FINRA Rule 8210 requires "a member, person associated with a member, or person subject to FINRA's jurisdiction to ...testify at a location specified by FINRA staff...with respect to any matter involved in [an] investigation..."

FINRA Rule 2010 requires members and their associated persons, in the conduct of their business, to "observe high standards of commercial honor and just and equitable principles of trade."

On August 5, 2011, in connection with its investigation relating to Zaichik's indictment and arrest for Medicare fraud, Enforcement staff sent an 8210 request scheduling Zaichik's testimony to be taken on August 19, 2011 at FINRA's New York office. A copy of this request was also sent to her counsel. In this letter, staff advised Zaichik that a failure on her part to satisfy her obligations to FINRA could expose her to sanctions, including a bar.

Subsequent to the issuance of this request, but prior to the date of the scheduled testimony, staff received a letter from Zaichik's counsel dated August 12, 2011, reporting that she had advised Zaichik, and Zaichik agreed, that it would be inappropriate for Zaichik to cooperate and give testimony to a non-governmental agency while under federal indictment. Counsel said that she would "get back" to FINRA staff after the federal criminal case has been resolved.

On March 7, 2012, staff contacted Zaichik again, through her counsel, to inquire about the present status of the criminal matter and whether Zaichik would now cooperate with FINRA's request for testimony. Zaichik's counsel responded that the criminal case against Zaichik was still pending.

To date, Zaichik has failed to appear and testify before FINRA with respect to this matter.

Based on the foregoing, Respondent violated FINRA Rules 8210 and 2010 by failing to comply with FINRA's request for testimony.

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

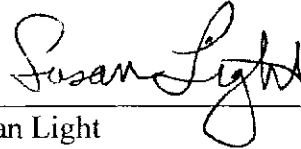
It is ordered that Respondent be barred from association with any member of FINRA in any capacity.

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

A handwritten signature in cursive script, reading "Susan Light". The signature is written in black ink and is positioned above a horizontal line.

Susan Light
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