

**NASD
OFFICE OF HEARING OFFICERS**

Market Regulation Department,

Complainant,

v.

Craig Dixon
(CRD No. 3064467),

Respondent.

Disciplinary Proceeding
No. CMS 040165
Hearing Officer: SNB

**ORDER ACCEPTING
OFFER OF SETTLEMENT OF
CRAIG DIXSON**

Date: February 28, 2006

Disciplinary proceeding number CMS 040165 was filed on October 11, 2004 by the Department of Market Regulation of NASD ("Complainant"). Respondent Craig Dixon submitted an Offer of Settlement ("Offer") to Complainant on January 26, 2006. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure 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 NASD, or to which NASD 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 NASD.

BACKGROUND

Craig Dixon ("Dixon"), age 33, was first employed in the securities industry in 1997. From 1997 until 2001, he was registered successively at Bluestone Capital Partners, Park Avenue Securities, LLC, and Citigroup Investment Services. In September 2001, Dixon joined Park Capital Securities, LLC ("Park Capital"); he served as Park Capital's operations principal from November 2001 until approximately July 2002, after which he was demoted to back-office clerk. Dixon left Park Capital in April 2003, and was registered with MetLife Securities until December 2004. Since then, he has not been employed in the securities industry.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows¹:

From April 2002 through approximately February 2003, senior management at Park Capital engaged in a manipulative scheme to inflate the share price of Cordia Corporation by, among other things, the placing of a series of small buy orders into the market at successively higher prices and then crossing blocks of Cordia shares between customer accounts at artificially inflated prices. Park Capital also engaged in an unregistered distribution of Cordia securities by selling shares of Cordia to its customers without a valid registration statement in effect in contravention of Section 5 of the Securities Act of 1933 and in violation of NASD Conduct Rule 2110.

¹ The findings herein are pursuant to Craig Dixon's Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

As the order entry clerk at Park Capital, Dixon, knowingly or recklessly participated in Park Capital's manipulative scheme by placing the small buy orders for Cordia into the market at the direction of Park Capital's management and by crossing blocks of Cordia shares between customer accounts at artificially inflated prices. Dixon also participated, at the direction of Park Capital management, in the unregistered distribution of Cordia securities by processing the receipt and sale of unregistered Cordia shares without valid exemption under Section 5 of the Securities Act of 1933.

By executing orders in furtherance of the manipulative scheme, Dixon directly or indirectly, by use of means or instrumentalities of interstate commerce, intentionally or recklessly employed a device, scheme or artifice to defraud or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit in connection with the purchase or sale of a security, in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and NASD Conduct Rules 2110 and 2120.

By participating in the sale of unregistered Cordia shares to Park Capital's customers, Dixon directly or indirectly, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities for which no registration was in effect and to which no exemption applied, in contravention of Section 5 of the Securities Act of 1933, thereby violating 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 NASD of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent shall be suspended from association with any NASD member for 60 days in all capacities, and shall be barred permanently from such association except as a Limited Representative - Investment Company Products/Variable Contracts. In addition, it is ordered that Respondent shall take and pass NASD's Series 6 examination within 90 days of becoming associated with any NASD member. Respondent has asserted an inability to pay and has submitted a sworn financial statement. In light of the financial status of respondent, no monetary sanctions have been imposed.²

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD

By: 
Cameron K. Funkhouser
Senior Vice President
Market Regulation Department

On behalf of the Director of ODA,
pursuant to delegated authority

² Although no monetary sanctions have been imposed in this disciplinary action, this does not preclude customers from pursuing their own actions to effect such remedies.