NATIONAL FUTURES ASSOCIATION BEFORE THE HEARING PANEL



In the Matter of:)	
MITAICD CINANCIAL TRADING CORD)	
MIZNER FINANCIAL TRADING CORP.,)	
ET AL., (NFA ID #346896),)	
(Heath Peck, NFA ID #322739;)	NFA Case No. 05-BCC-007
Steven E. Schultz, NFA ID #320276;)	
Michael L. Stokes, NFA ID #293046),)	
)	
Respondents.)	

DECISION

Having reviewed the Complaint issued by the Business Conduct Committee ("Committee") of National Futures Association ("NFA") in the above-captioned case, and having considered the Offers of Settlement ("Offers") submitted by Heath Peck ("Peck"), Steven E. Schultz ("Schultz") and Michael L. Stokes ("Stokes") and having accepted the Offers, the Hearing Panel ("Panel") hereby issues this Decision as to Peck, Schultz and Stokes only, and not as to any other Respondents.

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ALLEGED VIOLATIONS OF NFA REQUIREMENTS

On May 25, 2005, the Committee issued a Complaint to Mizner Financial Trading Corp. and two other firms, as well as to five individual associated persons ("APs"), including Peck, Schultz and Stokes.

The Complaint alleged that Peck, Schultz and Stokes made deceptive and misleading sales solicitations, in violation of NFA Compliance Rules 2-2(a) and 2-29(a)(1) and that Stokes employed a high-pressure approach, in violation of NFA Compliance Rule 2-29(a)(2).

OFFERS OF SETTLEMENT

Peck, Schultz and Stokes each submitted Offers in settlement of the allegations made against them. Peck agreed to pay a \$5,000 fine to NFA and to tape record all conversations with customers and prospective customers for six months. Schultz agreed to be barred from NFA membership, Associate NFA membership and principal status with any NFA Member for a period of three months and to tape record all conversations with customers and prospective customers for six months. Stokes agreed to be barred from NFA membership, Associate NFA membership and principal status with any NFA Member for a period of a six months and to tape record all conversations with customers and prospective customers for six months. In addition, Stokes agreed to pay a \$7,500 fine to NFA.

Peck, Schultz and Stokes neither admitted nor denied the allegations made against them; however, they each consented to the inclusion of findings by the Panel in this Decision that they committed the violations alleged against them in the Complaint.

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FINDINGS

Each of the Respondents named above has stipulated to the inclusion of findings in this Decision that they committed the violations alleged against them in the Committee's Complaint. Therefore, the Panel finds that Peck, Schultz and Stokes committed each and every one of the violations that they were alleged in the Complaint to have committed.

Specifically, the Panel finds that Peck, Schultz and Stokes made deceptive and misleading sales solicitations, in violation of NFA Compliance Rules 2-2(a) and 2-29(a)(1) and that Stokes employed a high-pressure approach, in violation of NFA Compliance Rule 2-29(a)(2).

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PENALTY

The Panel, having considered this matter and having accepted the Offers made by Peck, Schultz and Stokes orders as follows:

A. Peck

- 1. Peck shall pay a total fine of \$5,000 to NFA, payable in five equal monthly payments of \$1,000 each with the first payment due within thirty days of the date of this Decision.
- 2. Peck shall tape record any and all conversations that he has with customers or prospective customers for a period of six months commencing fifteen days after the date of this Decision. He shall promptly produce to NFA any and all recordings required to be created under this provision in a manner in which the participants and dates of the conversations can be readily identified. Only periods during which Peck is an NFA Member or an Associate of an NFA Member shall be counted toward his fulfillment of the obligations created by this paragraph.

B. Schultz

- Schultz shall not apply for NFA membership, associate membership or principal status with any NFA Member for a period of three months commencing on the date of this Decision.
- 2. Schultz shall tape record any and all conversations that he has with customers or prospective customers for a period of six months commencing immediately upon becoming registered as an AP. He shall promptly produce to NFA any and all recordings required to be created under this provision in a manner in which the participants and dates of the conversations can be readily identified. Only periods during which Schultz is an NFA Member or an Associate of an NFA Member shall be counted toward his fulfillment of the obligations created by this paragraph.

C. Stokes

- Stokes' Associate status with any NFA Member shall be terminated as of the date of this Decision and Stokes shall not apply for NFA membership, associate membership or principal status with any NFA Member for a period of six months commencing on the date of this Decision.
- 2. Stokes shall pay a total fine of \$7,500 to NFA, payable in nine equal monthly payments with the first payment due within thirty days after Stokes becomes registered as an AP.
- 3. Stokes shall tape record any and all conversations that he has with customers or prospective customers for a period of six months. He shall promptly produce to NFA any and all recordings required to be created under this provision in a manner in which the participants and dates of the conversations can be readily identified. Only periods during which Stokes is an NFA Member or an Associate of an NFA Member shall be counted toward his fulfillment of the obligations created by this paragraph.

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INELIGIBILITY

Pursuant to the provisions of Commodity Futures Trading Commission ("CFTC") Regulation 1.63, this Decision and the sanctions imposed herein render Peck, Schultz and Stokes ineligible to serve on a disciplinary committee, arbitration panel, oversight panel or governing board of any self-regulatory organization, as that term is defined in CFTC Regulation 1.63, until the later of three years after the effective date of this Decision, or until the respective respondent has satisfied all the sanctions and conditions imposed upon that respondent by this Decision.

NATIONAL FUTURES ASSOCIATION HEARING PANEL

Date: $\frac{|-3|-06}{|}$

Michael G. Tannenhaum

Michael G. Tannenbaum Chairperson

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschens, on oath state that on January 31, 2006, I served a copy of the attached Decision by placing such copies in the United States mail, postage prepaid, certified mail, return receipt requested, and by regular mail, first-class delivery, in envelopes addressed as follows:

Jean Webb, Secretariat Commodity Futures Trading Commission Three Lafayette Centre 1155 21st Street, NW Washington, DC 20581

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Subscribed and sworn to before me on this 31st day of January 2006.

Notary Public

OFFICIAL SEAL.
Mary A. Patton
Notary Public, State of Illinois
MY COMMISSION EXPIRES 7-17-09