

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73798 / December 9, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16309

In the Matter of

ROBERT A. WALKER,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Robert A. Walker (“Walker” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. From 2001 to 2011, Walker was the founder, President, Chief Executive Officer, and Chairman of the Board of Directors of Bixby Energy Systems, Inc. ("Bixby"), a privately held Delaware corporation with its principal place of business in Ramsey, Minnesota. Although Walker was not registered as a broker-dealer with the Commission during the relevant period, Walker was associated with a broker or dealer based on, among other things, his offering and paying commissions to individuals who solicited investments on behalf of Bixby. During the relevant period, Walker was a resident of Anoka, Minnesota. Walker, 72, is currently remanded to the custody of the U.S. Marshal.

2. On March, 5, 2014, a jury found Walker guilty of: four counts of mail fraud (18 U.S.C. § 1341), eight counts of wire fraud (18 U.S.C. § 1343), one count of conspiracy to commit mail and wire fraud (18 U.S.C. § 1349), one count of witness tampering (18 U.S.C. § 1512(b)(1)), and three counts of tax evasion (26 U.S.C. § 7201), in a criminal action brought before the United States District Court for the District of Minnesota captioned *United States v. Walker*, 11-CR-381. On September 25, 2014, Walker was sentenced to a prison term of 300 months followed by three years of supervised release and ordered to make restitution in the amount of \$57,967,186.03.

3. The counts of the criminal indictment on which Walker was found guilty alleged, *inter alia*, that Walker, by use of the United States mails and interstate wire communications, fraudulently obtained money and property by means of material misrepresentations and omissions to investors and prospective investors regarding: the payment of commissions to company officers for their sale of Bixby securities; the operating capability of Bixby's coal gasification and liquefaction technologies; the status of the company's efforts to go public, and the criminal history of Bixby's former Chief Financial Officer, Dennis DeSender. The indictment also alleged that Walker unlawfully offered and paid commissions to individuals who solicited investments on behalf of Bixby.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Walker's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Walker be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;

and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary