

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71522 / February 11, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3776 / February 11, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15746

In the Matter of

Roy Dixon, Jr.,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Roy Dixon, Jr. (“Respondent” or “Dixon”).

II.

After an investigation, the Division of Enforcement alleges that:

1. Dixon, age 50, resides in Atlanta, Georgia. Dixon was the owner and founding general partner of Onyx Capital Advisors, LLC (“Onyx Capital”), a Detroit, Michigan-based private equity firm started in September 2006. From at least 2007 to 2010, Dixon acted as an unregistered investment advisor to three public pension funds that invested in the Onyx Capital Advisory Fund I, LP (“Onyx Fund”). From at least 2007 to 2010, Dixon was also employed as a

registered representative at Professional Asset Management, Inc., a Bloomfield Hills, Michigan-based broker-dealer. He held the following FINRA licenses: Investment Company/Variable Contracts Products Limited Representative (Series 6) and General Securities Representative (Series 7).

2. On January 31, 2014, a final judgment was entered against Dixon, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Onyx Capital Advisors, LLC, et al., Civil Action Number 2:10-cv-11633, in the United States District Court for the Eastern District of Michigan.

3. The Commission's complaint alleged that Dixon and Onyx Capital misappropriated more than \$3.11 million from the Onyx Fund. Specifically, the complaint alleged that Dixon and Onyx Capital misappropriated \$2.06 million under the guise of management fees and an additional \$1.05 million that was ostensibly invested in Dixon's friend's used car businesses. The complaint further alleged that Dixon and Onyx Capital made numerous false and misleading statements to the pension funds. For example, Dixon and Onyx Capital sent a forged letter to one of the pension funds misrepresenting the principals of Onyx Capital. The complaint also alleged that Dixon and Onyx Capital issued false and misleading capital calls to the public pension funds and misrepresented the amount of management fees they had taken. In its order granting summary judgment in favor of the Commission, the Court found that Dixon made material misrepresentations to the public pension funds that invested in the Onyx Fund and that Dixon misappropriated money from the Onyx Fund.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;
- C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act; and

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an

Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary