

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70105 / August 2, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3641 / August 2, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15405

In the Matter of

RONALD MUSICH,

Respondent.

**ORDER INSTITUTING
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,
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”) and Section 203(f) of the Investment Advisers Act of 1940 against Ronald Musich (“Musich” 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, 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. Musich, 62, is a resident of Spring Park, Minnesota. Musich is not registered as a broker-dealer or associated with a broker or dealer registered with the Commission. During the relevant period, Musich was a part-owner of Rocket Capital Management, LLC, a state-registered investment advisory firm with its principal place of business in Wayzata, Minnesota.

2. On July 11, 2013, a final judgment was entered by consent against Musich, permanently enjoining him from future violations of Section 15(a) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. Collyard, et al., Civil Action No. 11-cv-3656, in the United States District Court for the District of Minnesota.

3. The Commission's complaint alleged that, from approximately 2004 to 2008, as part of a large network of unregistered brokers, or so-called "finders" and "consultants," Musich solicited investors for Bixby Energy Systems, Inc. ("Bixby"), a privately held Delaware corporation with its principal place of business in Ramsey, Minnesota. Specifically, the complaint alleged that Musich, in partnership with Gary A. Collyard ("Collyard") and the Collyard Group, LLC, sold over \$3.1 million in Bixby securities to more than 120 investors. The complaint further alleged that, as compensation for the sale of securities, Bixby paid Collyard and the Collyard Group \$420,000 in cash and warrants to purchase at least 340,000 shares of Bixby common stock, and Musich received approximately half of these commissions paid to Collyard Group, LLC. The complaint further alleged that, in 2007 and 2008, Musich received additional commissions of \$100,000 in cash from Bixby for the sale of Bixby securities. Finally, the complaint alleged that Musich, while acting as a broker or dealer, effected transactions in, and induced and attempted to induce the purchase or sale of securities, when he was not registered with the Commission as a broker or dealer or associated with an entity registered with the Commission as a broker or dealer.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act that Respondent 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.

with a right to apply for reentry after three years to the appropriate self-regulatory organization or, if there is none, to the Commission.

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.

Elizabeth M. Murphy
Secretary