

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67679 / August 16, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14986

In the Matter of

DENNIS L. DESENDER,

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 Dennis L. DeSender (“DeSender” 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 consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Exchange Act, 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, DeSender served at various times as Chief Financial Officer, Chief Operating Officer, and an independent financial consultant to Bixby Energy Systems, Inc. ("Bixby"), a privately held Delaware corporation with its principal place of business in Ramsey, Minnesota. DeSender is also the owner and control person of DLD Financial Ltd. ("DLD"), a Minnesota corporation. DeSender was not registered as a broker-dealer or associated with a broker or dealer registered with the Commission. DeSender, 51, is a resident of Minneapolis, Minnesota.

2. On June 4, 2012 a partial final judgment was entered by consent against DeSender, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) and 15(a) of the Exchange Act, and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Walker, et al., Civil Action No. 11-cv-3655, in the United States District Court for the District of Minnesota.

3. The Commission's complaint alleged that, from at least 2001 to 2010, in connection with the offer and sale of Bixby securities, DeSender made numerous material misrepresentations and omissions to investors and prospective investors regarding Bixby's coal gasification and liquefaction technologies, the operational capability of Bixby's coal gasification machine, and DeSender's criminal history. The complaint also alleged that DeSender and DLD sold over \$12 million in Bixby securities to more than 300 investors. As compensation for their sale of Bixby securities, DeSender and DLD received commissions of at least \$3.6 million in transaction-based commissions and warrants to purchase at least 549,000 shares of Bixby common stock. Finally, the complaint alleged that DeSender sold unregistered securities.

4. On September 14, 2011, DeSender pled guilty to one count of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff and 17 C.F.R. § 240.10b-5 before the United States District Court for the District of Minnesota, in United States v. Dennis L. DeSender, CR 11-71 (SRN).

5. The count of the criminal information to which DeSender pled guilty alleged, inter alia, that DeSender did knowingly, willfully, and unlawfully, by the use of means and instrumentalities of interstate commerce, directly and indirectly, use and employ manipulative and deceptive devices in connection with the sale of securities, and did make untrue statements of material facts and omit to state material facts in order to make the statements not misleading in connection with the sale of such securities.

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 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.

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