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2 **STATE OF CALIFORNIA**
3 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
4 **DEPARTMENT OF BUSINESS OVERSIGHT**

5 **TO: Artience Capital Management, LLC**
6 One Market St., Suite 3600
7 San Francisco, CA 94105

8 **DESIST AND REFRAIN ORDER**
9 **(For violations of section 25230 of the Corporations Code)**

10 The Commissioner of Business Oversight finds that:

11 1. At all relevant times herein, Artience Capital Management, LLC (“Artience Capital”)
12 is an investment advisory firm located at One Market St., Suite 3600, San Francisco, CA 94105. The
13 company maintains a website at www.artiencecapital.com.

14 2. Artience Capital Management has operated as an investment adviser registered with
15 the Securities and Exchange Commission (“SEC”), since July 2009. But as a result of the
16 modification in the Investment Advisers Act of 1940, adopted as part of the Dodd Frank Wall Street
17 Reform and Consumer Protection Act of 2011, Artience Capital was required to terminate its SEC
18 registration and re-register as an investment adviser with the California Department of Corporations,
19 now known as the Department of Business Oversight¹ (“Department”).

20 3. Artience Capital terminated its registration with the SEC on December 11, 2012. In
21 the intervening period, it filed its initial application through a Form ADV for an investment advisory
22 certificate with the Department dated May 24, 2012. An investment advisory certificate was not
23 issued to Artience Capital because of a suspension in effect issued by the Financial Industry

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25 ¹ Effective July 1, 2013, the Department of Corporations and the Department of Financial Institutions merged to form the
26 Department of Business Oversight in accordance with the Governor’s reorganization of state departments and agencies to
27 provide services more efficiently and effectively. Pursuant to the reorganization, the name of the Department of
28 Corporations was changed to Department of Business Oversight, headed by the Commissioner of Business Oversight.
(See Fin. Code § 321)

1 Regulatory Authority (“FINRA”) against Kim Tracy Nordmo (“Nordmo”), a principal of Artience
2 Capital, on July 10, 2012. The FINRA suspension was imposed because Nordmo had failed to pay a
3 2011 FINRA arbitration award in favor of her former employer, Merrill Lynch, Pierce, Fenner &
4 Smith Incorporated.

5 4. On or about October 10, 2012, Artience Capital withdrew its application with the
6 Department and an order declaring the application withdrawn was issued that same date. Artience
7 Capital was also informed, in writing, that it could not engage in investment adviser activities unless
8 and until it received a certificate from the Commissioner authorizing it to do so.

9 5. On or about December 16, 2012, Artience Capital reapplied for an investment
10 advisory certificate. Through the application process, Artience Capital acknowledged that it
11 continued to service 120 investor advisory accounts. Subsequently, the company also disclosed to
12 the Department that it had collected approximately \$100,000 in fees during the period of December
13 11, 2012 through May 2013. To date the Commissioner has not issued an investment adviser
14 certificate to Artience Capital.

15 6. On or about April 23, 2013, FINRA lifted its suspension against Nordmo.

16 Based upon the foregoing, the Commissioner of Business Oversight is of the opinion that
17 Artience Capital had conducted business as an investment adviser in California without first having
18 applied for and secured from the commissioner a certificate, then in effect, authorizing it to conduct
19 business as an investment adviser in California, in violation of section 25230, subdivision (a) of the
20 Corporate Securities Law of 1968.

21 Pursuant to section 25532, subdivision (b) of the Corporate Securities Law of 1968, Artience
22 Capital is hereby ordered to desist and refrain from conducting business as an investment adviser in
23 California, unless and until it has applied for and secured from the Commissioner a certificate, then in
24 effect, authorizing it to conduct business as an investment adviser in California, or until it has made
25 the required filing under the Corporate Securities Law of 1968.

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1 This Order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

3 Dated: October 14 , 2013
4 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

7
8 By _____
9 MARY ANN SMITH
10 Deputy Commissioner
11 Enforcement Division

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