

BEFORE THE SECURITIES COMMISSIONER
STATE OF COLORADO

Order No. 10 – L – 22

ORDER OF EXEMPTION FROM INVESTMENT ADVISER LICENSING

IN THE MATTER OF JONATHAN MURDOCK AND ELEMENTO, LLC

WHEREAS, pursuant to §11-51-402(5)(b), C.R.S., Jonathan Murdock, whose business address is 1416 Larimer Street, Suite 201, Denver, Colorado, 80202, has requested that the Securities Commissioner issue an Order of Exemption pursuant to the terms of which a Colorado limited liability company to be formed by Mr. Murdock shall be exempt from the Colorado investment adviser licensing requirement set forth in §11-51-401(1.5), C.R.S.; and

WHEREAS, in connection with said request, Mr. Murdock has represented as follows:

1. Mr. Murdock intends to form a Colorado limited liability company to be named “Elemento, LLC” (“Elemento”) that will be 100% owned by Mr. Murdock. Elemento will act as a family office for the benefit of one family unit (the “Family”). For the purposes of this Order, “Family” means Alonzo M. and Sandra C. Norris, and the children and grandchildren of Alonzo M. and/or Sandra C. Norris and their spouses, and the siblings of Alonzo M. and/or Sandra C. Norris and their spouses, and the children and grandchildren of the siblings of Alonzo M. and/or Sandra C. Norris and their spouses. Mr. Murdock is the son-in-law of Mr. and Mrs. Norris. The entities that now exist or may be formed in the future in which members of the Family are or will be owners or beneficiaries and charitable trusts created by members of the Family are hereafter referred to as the “Family Entities.” Elemento’s sole clients will be certain Family Entities and certain members of the Family.

2. Elemento, which has yet to be formed, is not subject to any statutory disqualification from registration as an investment adviser under the Investment Advisers Act of 1940 or from investment adviser licensing under the Colorado Securities Act.

3. Elemento will be run by Mr. Murdock, its intended LLC manager and member. Mr. Murdock will be responsible for investment selection and management. Mr. Murdock is not subject to any statutory disqualification from licensing in Colorado as an investment adviser representative or otherwise. Following the grant of the Order and the formation of Elemento, Mr. Murdock will resign from his position as an investment adviser representative of the SEC registered investment adviser with which he is currently associated and of which is the sole owner. Concurrent with filing his termination notice (Form U-5), Mr. Murdock will file a notice to withdraw the registration of said investment adviser (Form ADV-W).

4. Elemento may provide various accounting, administrative and other services, including advisory services, to the Family Entities and the Family.

5. Elemento and each Family Entity or each member of the Family to which Elemento is to provide services will enter into a management agreement (“Management Agreement”) in which the relationship is to be confirmed in writing.

6. Under the terms of each of the Management Agreements to be implemented, Elemento is to be paid a reasonable fee for managing and performing its obligations, which for assets under management, or unpriced assets held at cost, is not to exceed 3% annually or such lower number as negotiated. For Family members and Family Entities meeting the requirements of Rule 205-3 under the Investment Advisers Act of 1940, if such were otherwise applicable to the business of Elemento, Elemento may enter into a Management Agreement implementing a performance fee on capital gains or appreciation of an investment or investments above a baseline (“high water mark”) calculated initially as the value of the investment or investments at the later of the inception of the Management Agreement or acquisition date and calculated later as the highest value achieved at the end date of any previous high water mark calculation. Performance fees are not to exceed 20% or such lower rate as negotiated.

7. Elemento is to work for the Family Entities and the Family exclusively. Elemento is not to advertise in any way or hold itself out as providing investment advice to any person other than the Family Entities and the Family, is to not attend any investment-related conferences as a vendor, and is to not conduct any marketing activities. Elemento is not to be listed in any directory as an investment adviser.

8. Elemento will maintain and keep true and accurate the following books and records relating to its service to the Family and Family Entities, and preserve such books and records in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on the respective book or record or, or for contracts or agreements the fiscal year during which the contract or agreement expired, with the preservation in the first two years in the principal office of Elemento:

- a. A copy of each Management Agreement;
- b. A copy of each power of attorney and other evidence of the granting of any discretionary authority by a Family member/Family Entity to Elemento;
- c. Records sufficient to show the calculation of fees owed by the respective Family member/Family Entity;
- d. Records sufficient to show fees received by Elemento;
- e. Copies of account statements for each securities or bank account managed and/or maintained by Elemento;
- f. All checkbooks, canceled checks (or bank produced copies of canceled checks), and reconciliations for each bank account managed and/or maintained by Elemento;
- g. A copy of each bill paid by Elemento;

- h. A separate ledger account for each Family member/Family Entity showing all purchases, sales, receipts and deliveries of securities, the date and price of each purchase and sale, and all debits and credits;
- i. A record for each security in which any client has a position, in which record shall be shown the name of each client having any interest in each security, the amount or interest of each client, and the location of each security; and
- j. A copy of each contract to which Elemento is a party.

9. Elemento will preserve in its principal office for the duration of Elemento's existence as a limited liability company, and for three years thereafter in an easily accessible place, Elemento's articles of organization, operating agreements, minute books, and records of ownership. If Elemento is converted or reorganized into another entity, Elemento shall maintain the functional equivalents of such books and records as required of Elemento as a limited liability company.

AND, WHEREAS, pursuant to §11-51-704(2), C.R.S., the Securities Commissioner finds that the issuance of this Order is appropriate in the public interest and is consistent with the purposes and provisions of the Colorado Securities Act;

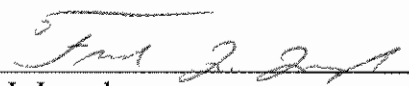
NOW THEREFORE, IT IS HEREBY ORDERED as follows:

1. Pursuant to §11-51-402(5)(b), C.R.S., Elemento shall be exempt from the investment adviser licensing provisions set forth at §11-51-401(1.5), C.R.S., and by operation of §11-51-402(6), C.R.S., the individuals employed by or otherwise associated with Elemento in providing investment advice shall be exempt from licensing in Colorado as investment adviser representatives.

2. The Order issued here is done so based on the facts and representations as stated above. Any change in those facts or circumstances described might require a different response.

The fact that an exemption from licensure has been issued does not constitute a finding by the Colorado Securities Commissioner that he has passed in any way upon the merits or qualifications of or has recommended or given approval to any person. It is unlawful to make, or cause to be made, to any prospective purchaser, customer or client, any representation inconsistent with the foregoing.

DATED at Denver, Colorado this 23rd day of April, 2010.



Fred J. Joseph
Securities Commissioner