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

4 TO: Daniel Deans Niednagel  
5 Skizzim.com, Inc. doing business as Skizzim Financial  
6 24 Calle Boveda  
7 San Clemente, California 92651

7 Stephen Paul Niednagel  
8 Three Arch Capital, Inc.  
9 1590 South Coast Highway, Suite 16  
10 Laguna Beach, California 92651

10 Bird Rock Ventures, LLC  
11 30100 Town Center Drive, Suite O-133  
12 Laguna Niguel, California 92677

12 **DESIST AND REFRAIN ORDER**  
13 **(For violations of section 25230 of the California Corporations Code)**

14 The Commissioner of Business Oversight (Commissioner) finds that:

- 15 1. Daniel Deans Niednagel (CRD No. 5613211) is the president and sole owner of  
16 Skizzim.com, Inc. doing business as Skizzim Financial (Skizzim Financial) (CRD No. 150206), a  
17 California corporation formed on April 24, 2001 that maintains a business address at 24 Calle  
18 Boveda, San Clemente, California 92651.
- 19 2. Stephen Paul Niednagel (CRD No. 2412047) is the president and sole owner of Three Arch  
20 Capital, Inc. (CRD No. 150210), a California corporation formed on August 20, 2003 that  
21 maintains a business address at 30100 Town Center Drive, Suite O-133, Laguna Niguel,  
22 California 92677.
- 23 3. At all relevant times, Bird Rock Ventures, LLC was a California limited liability company  
24 formed on August 7, 2003 that maintained a business address at 30100 Town Center Drive, Suite  
25 O-133, Laguna Niguel, California 92677.
- 26 4. At all relevant times, Skizzim Financial and Three Arch Capital, Inc. were the managers,  
27 general partners, and, respectively, 50% owners of Bird Rock Ventures, LLC.
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1 5. Bird Rock Management, LLC, is a California limited liability company formed on  
2 November 6, 2014 that maintains a business address at 1590 South Coast Highway, Suite 16,  
3 Laguna Beach, California 92651.

4 6. At all relevant times, Daniel Deans Niednagel and Stephen Paul Niednagel were the  
5 managers, general partners, and, respectively, 50% owners of Bird Rock Management, LLC.

6 7. On January 27, 2015, Bird Rock Management, LLC filed an initial Form ADV with the  
7 Commissioner, applying for an investment adviser certificate.

8 8. The Commissioner’s investigation of the application disclosed that during the period  
9 commencing October 27, 2012 through the time of the filing of the application, Daniel Deans  
10 Niednagel and Stephen Paul Niednagel, through Skizzim Financial, Three Arch Capital, Inc., and  
11 Bird Rock Ventures, LLC, had provided investment advice in this state to several private funds  
12 and had failed to comply with the requirements of California Code of Regulations, title 10, section  
13 260.204.9, which created an exemption to the investment adviser certification requirement of  
14 Corporations Code section 25230, subdivision (a), for investment advisers who provide advice  
15 solely to one or more qualifying private funds.

16 9. The Commissioner finds that Daniel Deans Niednagel, Skizzim.com, Inc. doing business  
17 as Skizzim Financial, Stephen Paul Niednagel, Three Arch Capital, Inc., and Bird Rock Ventures,  
18 LLC have conducted business as an investment adviser in this state from October 27, 2012  
19 through the date hereof, without first applying for and securing from the Commissioner a  
20 certificate, then in effect, authorizing them to do so, in violation of Corporations Code section  
21 25230, subdivision (a).

22 10. Corporations Code section 25230, subdivision (a), provides:

23 (a) It is unlawful for any investment adviser to conduct business as an investment  
24 adviser in this state unless the investment adviser has first applied for and secured  
25 from the commissioner a certificate, then in effect, authorizing the investment  
26 adviser to do so or unless the investment adviser is exempted by the provisions of  
27 Chapter 1 (commencing with Section 25200) of this part or unless the investment  
28 adviser is subject to Section 25230.1.

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11. Corporations Code section 25532, subdivision (b), states in pertinent part:

(b) If, in the opinion of the commissioner, a person has been or is acting as a broker-dealer or investment adviser, or has been or is engaging in broker-dealer or investment adviser activities, in violation of Section 25210, 25230, or 25230.1, the commissioner may order that person to desist and refrain from the activity until the person has been appropriately licensed or the required filing has been made under this law.

12. Based on the foregoing, the Commissioner is of the opinion that Daniel Deans Niednagel, Skizzim.com, Inc. doing business as Skizzim Financial, Stephen Paul Niednagel, Three Arch Capital, Inc., and Bird Rock Ventures, LLC are subject to the laws regulating broker-dealers and investment advisers under the Corporate Securities Law of 1968 and, working alone or in concert or participation with others, have been or are engaging in investment adviser activities without having first applied for and secured from the Commissioner a certificate, then in effect, authorizing them to act in such capacity, in violation of section 25230 of the Corporate Securities Law of 1968.

Pursuant to section 25532 of the Corporate Securities Law of 1968, Daniel Deans Niednagel, Skizzim.com, Inc. doing business as Skizzim Financial, Stephen Paul Niednagel, Three Arch Capital, Inc., and Bird Rock Ventures, LLC are hereby ordered to desist and refrain from engaging in investment adviser activities unless and until certification has been made under said laws or unless exempt.

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

Dated: April 27, 2016

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division