



1 **Nature of the Conduct**

2 *Overview*

3 3. From May 18, 2019 through August 25, 2022, CPM offered and sold unregistered securities in  
4 the form of Pooled Investment Vehicle (PIV) membership interests to 275 investors pursuant to WAC 460-  
5 44A-506 and 17 C.F.R. §230.506(c), a Regulation D exemption from securities registration, without taking  
6 reasonable steps to verify those investors were accredited, as required by rule 506(c).

7 *CPM's 506(c) PIV Offerings*

8 4. CPM offers membership interests in two of its four PIVs pursuant to a Rule 506(c) exemption  
9 from securities registration. The unregistered securities offered pursuant to Rule 506(c) are Capital  
10 Preservation 200 LLC ("CP200") and Romano Capital Investment Fund, LLC ("RCIF").

11 5. CP200 is an evergreen offering with no set end date for the term of the fund. As of January 1,  
12 2023, the total amount of assets under management amounted to approximately \$27,645,706, all of which are  
13 managed on a discretionary basis.

14 6. RCIF's minimum investment for a given investor is \$100,000. As of January 1, 2023, the total  
15 amount of assets under management amounted to approximately \$62,515,840, all of which are managed on a  
16 discretionary basis.

17 *CPM Failed to Reasonably Verify Accredited Status of Investors as Required for 506(c) Offerings*

18 7. In order to rely on the Rule 506(c) exemption from securities registration, the issuer of the  
19 exempt security must satisfy all conditions, including taking reasonable steps to verify the accredited status  
20 of investors.

21 8. CPM failed to take reasonable steps to verify PIV purchasers met the accredited investor  
22 definition, as defined by 17 CFR §230.501(a) and WAC 460-44A-501(1), for interests sold to 242 investors  
23 in RCIF and to 33 investors in CP 200.



1 **CONSENT ORDER**

2 IT IS AGREED AND ORDERED that Respondent Capital Preservation Management, LLC, and their  
3 agents and employees, shall each cease and desist from offering and/or selling securities in any manner in  
4 violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

5 IT IS AGREED AND ORDERED that Respondent Capital Preservation Management, LLC shall be  
6 liable for and pay a fine in the amount of \$50,000.00.

7 IT IS AGREED AND ORDERED that Respondent Capital Preservation Management, LLC shall be  
8 liable for and pay costs in the amount of \$1,500.00.

9 IT IS AGREED that Respondent Capital Preservation Management, LLC enters into this Consent  
10 Order freely and voluntarily and with a full understanding of its terms and significance.

11 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

12 IT IS AGREED that in consideration of the foregoing, the Respondent waives their right to a hearing  
13 and to judicial review of this matter pursuant to Chapter 34.05 RCW.

14  
15 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

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17 Signed this 12th day of June 2024.

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19 Signed by:  
20 Capital Preservation Management, LLC

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22 /s/  
Kess Romano, Member

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Approved as to form by:

/s/  
William Caffee, Attorney for Capital Preservation Management, LLC

SIGNED and ENTERED this 1st day of July, 2024.



/s/  
William M. Beatty  
Securities Administrator

Approved by:

Presented by:

/s/  
Brian J. Guerard  
Chief of Enforcement

/s/  
Denise Griffith  
Financial Legal Examiner

Reviewed by:

/s/  
Holly Mack-Kretzler  
Financial Legal Examiner Supervisor