STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: DOUGLAS ALBO and CAPITAL INCOME MANAGEMENT, LLC, Respondents.	Case No. S-17-0118 FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") 59.005 to 59.451, 59.991 and 59.995, and Oregon Administrative Rules ("OAR") chapter 441, and the amendments thereto ("Oregon Securities Law"), has conducted an examination of the securities business activities of Douglas Albo and Capital Income Management, LLC (collectively "Respondents").

Respondents have cooperated with the Director's examination and wish to resolve this matter with the Director;

Now, therefore, as evidenced by the signature subscribed herein, Respondents hereby CONSENT to the entry of this Order.

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Capital Income Management, LLC ("CIM") is a state investment adviser licensed in Oregon. The Oregon state investment adviser license for CIM is IA 3119, and the Investment Adviser Registration Depository ("IARD") number for CIM is #151016.

2. Douglas Albo is licensed in Oregon as an investment adviser representative. The Central Registration Depository number for Mr. Albo is #2382511.

3. In June 2015, the Director conducted a routine examination, which included an in-person interview, at Respondents' office in Sherwood, Oregon. As part of the routine

examination process, the Director requested and reviewed multiple files and documents, including the Respondents' investment advisory agreements with clients.

4. Respondents could not find an investment advisory agreement regarding a client of the Respondents.

5. The examination revealed that Respondents did not have a completed investment advisory agreement on file for a client when the Director's exam was conducted.

6. Respondents collected advisory fees from a client prior to having a completed investment advisory agreement.

7. As of August 18, 2015, Respondents corrected the issue by obtaining a signed investment advisory agreement with the client.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. Pursuant to ORS 59.195(1) and OAR 441-195-0040(1)(j), every state investment adviser shall make and keep true, accurate, and current all written agreements entered into by the investment adviser with any client.

9. By not making and/or keeping a written agreement entered into by the Respondents and a client, Respondents violated ORS 59.195(1) and OAR 441-195-0040(1)(j).

10. According to ORS 59.995, any person who violates the Oregon Securities Law may be subject to a civil penalty in an amount not to exceed $20,000 per violation.

ORDERS

The Director issues the following ORDERS:

11. In accordance with ORS 59.245, Respondents are hereby ORDERED to CEASE AND DESIST from violating any provision of Oregon Securities Law.

12. In accordance with ORS 59.995(1), the Director hereby ORDERS Respondents, to pay a CIVIL PENALTY, jointly and severally, in the total amount of $2,000 (two

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thousand dollars) for violating ORS 59.195(1) and OAR 441-195-0040(1)(j).

13. The Director SUSPENDS the collection of $1,000 (one thousand dollars) of the civil penalty assessed above, so long as Respondents comply with all terms and conditions of this Order and all requirements of the Oregon Securities Law. If Respondents comply with the terms of this Order and the Director has not initiated an enforcement action for new violations of the Oregon Securities Law during the three-year period from the effective date of this Order, the Director WAIVES the collection of the suspended CIVIL PENALTY assessed herein.

14. The Director reserves the right to immediately take enforcement action, pursuant to the procedures set forth in ORS 183.745, to impose the suspended CIVIL PENALTY if either Respondent violates any term of this Order.

15. The Respondents must pay $1,000 (one thousand dollars) of the civil penalty assessed against Respondents when this Order is returned to the Division.

16. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

SO ORDERED this 6th day of October, 2017.

JEAN STRAIGHT, Acting Director
Department of Consumer and Business Services

/s/ *David C. Tatman*
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER − CAPITAL INCOME MANAGEMENT, LLC

I, Douglas Albo, state that I am a member of Capital Income Management, LLC ("CIM") and I am authorized to act on its behalf. I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of our right to a hearing, and that I have been advised of our right to be represented by counsel in this matter. CIM voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this order. CIM understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of Oregon Securities Law. CIM will fully comply with the terms and conditions stated herein.

CIM understands that this Order is a public document.

/s/ Douglas Albo
Douglas Albo
Principal
Office Held

ACKNOWLEDGMENT

State of: Oregon)
)
County of: Washington)

There appeared before me this 19th day of September, 2017, Douglas Albo, who was first duly sworn on oath, and stated that he was and is a member of Capital Income Management, LLC ("CIM") and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of CIM and to bind CIM to the terms hereof.

/s/ Peggy R Latta
Notary Public

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CONSENT TO ENTRY OF ORDER − DOUGLAS ALBO

I, Douglas Albo, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ *Douglas Albo*
Douglas Albo

State of: Oregon

County of: Washington

Signed or attested before me on this 19th day of September, 2017 by Douglas Albo.

/s/ *Peggy R Latta*
Notary Public

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