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CONSENT ORDER

Respondent.

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Chameleon Partners, LLC do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondent Chameleon Partners, LLC neither admits nor denies the Findings of Fact and Conclusions of Law as stated below.

Respondent

1. Chameleon Partners, LLC (“Chameleon Partners”) is a Washington entity formed on May 2, 2016. Chameleon Partners, whose principal place of business is currently Post Falls, Idaho, was formerly headquartered in both Lake Forest Park, Washington and Deer Park, Washington. The company was created to offer a real estate investment opportunity.

Overview

2. In or around 2016, Chameleon Partners offered and sold unregistered, nonexempt securities in the form of limited liability company membership interests to 43 investors. The company failed to satisfy the

1 exemption in WAC 460-44A-300 because it did not file notice with the Securities Division, nor did it take
2 reasonable steps to verify that each of its investors were accredited.

3 *The Offering*

4 3. Beginning in or around May 2, 2016, Chameleon Partners issued limited liability company
5 membership interests in the company.

6 4. Chameleon Partners publicly solicited investors for the membership interests. The company
7 used a third-party commercial real estate investing platform to promote the investment to accredited investors.
8 The company also solicited investors from outside the investing platform.

9 5. Chameleon Partners sold the membership interests to 43 investors. The company raised a total
10 of \$4,000,000.

11 6. In or around 2016, Chameleon Partners purchased an apartment community in Seattle,
12 Washington for approximately \$11,250,000. A separate company managed the expansion, renovation, and
13 repositioning of the apartment community. Chameleon Partners sold the apartment community in or around
14 August 2022 for approximately \$18,000,000.

15 7. In or around September 2022, Chameleon Partners returned to investors their investment
16 principal. Chameleon Partners then delivered a return on investment to investors over the course of two
17 distributions in January and July 2023.

18 *Registration Status*

19 8. Chameleon Partners is not and has never been registered to sell its securities in the state of
20 Washington, nor has it filed a claim of exemption from registration.

21 *Chameleon Partners Failed to File Notice with the Securities Division*

1 9. To claim an exemption from registration under WAC 460-44A-300, an issuer must file with
2 the administrator a notice of transaction, a consent to service of process, a copy of the general announcement,
3 and a fee of \$300 within 15 days after the first sale in Washington.

4 10. Chameleon Partners did not file a Model Accredited Investor Exemption form with the
5 Securities Division, nor did it file a form U-2. The company also failed to pay the \$300 fee.

6 *Chameleon Partners Failed to Reasonably Verify the Accredited Status of Investors*

7 11. To claim an exemption from registration under WAC 460-44A-300, the issuer must take
8 reasonable steps to verify the accredited status of all its investors.

9 12. Chameleon Partners failed to take reasonable steps to verify that all parties that purchased
10 membership interests were accredited investors, as defined by WAC 460-44A-501(1).

11 13. For many of its investors, Chameleon Partners used the real estate investing platform to help
12 verify their accredited investor status. For others, however, Chameleon Partners relied on self-attestation as
13 to their accredited status based solely on an investor-completed questionnaire. Chameleon Partners did not
14 verify if these investors had sufficient income or net worth to qualify as accredited beyond reviewing the
15 questionnaire they completed and submitted along with their subscription application.

16
17 Based upon the above Findings of Fact, the following Conclusions of Law are made:

18 **CONCLUSIONS OF LAW**

19 1. The offer and/or sale of limited liability company membership interests described above
20 constitutes the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

21 2. Chameleon Partners, LLC violated RCW 21.20.140, the securities registration section of the
22 Securities Act of Washington, by offering and/or selling securities for which no registration is on file with the
23 Securities Administrator.

1 Based upon the foregoing and finding it in the public interest:

2 **CONSENT ORDER**

3 IT IS AGREED AND ORDERED that Respondent Chameleon Partners, LLC, and its agents and
4 employees, shall cease and desist from offering and/or selling securities in any manner in violation of RCW
5 21.20.140, the securities registration section of the Securities Act of Washington.

6 IT IS AGREED AND ORDERED that Chameleon Partners, LLC shall be liable for and pay a fine in
7 the amount of \$3,000.

8 IT IS AGREED AND ORDERED that Respondent Chameleon Partners, LLC shall be liable for and
9 pay costs in the amount of \$5,000.

10 IT IS AGREED that Respondent Chameleon Partners, LLC enters into this Consent Order freely and
11 voluntarily and with a full understanding of its terms and significance.

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

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

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

17
18 Signed this ____4th____ day of _____January_____ 2025____.

19 Signed by:

20 Chameleon Partners, LLC

21
22 _____/s/
23 Robert Cryan, Managing Member of CJR Chameleon Managers, LLC, the Manager for Chameleon Partners, LLC

1
2 Approved as to form by:

3
4 _____/s/_____
Rylan Weythman, Attorney for Chameleon Partners, LLC

5
6 SIGNED and ENTERED this 29th day of January, 2025.



13 _____/s/_____
William M. Beatty
Securities Administrator

14
15 Approved by:

Presented by:

16 _____/s/_____
17 Brian J. Guerard
Chief of Enforcement

_____/s/_____
Brett Werenski
Financial Legal Examiner

18 Reviewed by:

19
20 _____/s/_____
Holly Mack-Kretzler
Financial Legal Examiner Supervisor

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23
CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
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