

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83627 / July 13, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18595

In the Matter of

**Genesis Associates Limited
Partnership,**

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Genesis Associates Limited Partnership, (“Genesis” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-And-Desist Proceedings Pursuant To Section 21C of the Securities Exchange Act of 1934, Making Findings, And Imposing A Cease-And-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds¹ that:

¹ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Summary

1. This matter concerns the repeated failure of Genesis Associates Limited Partnership (“Genesis” or “Respondent”) to make a statement of a position and provide required information to investors concerning three tender offers for Uniprop Manufactured Housing Communities Income Fund II (“Uniprop”), an investment fund managed by Genesis. Pursuant to Rule 14e-2 under the Exchange Act, issuers subject to tender offers must make a statement—in the case of a tender offer regulated under Regulation 14D, by means of a Schedule 14D-9, which is filed with the Commission—in which the issuer recommends acceptance or rejection of the offer, expresses no opinion, or states that it is unable to take a position on the offer. Between 2007 and 2016, Uniprop was the subject of three tender offers through which its investors could sell their investment units. However, Genesis failed to make a statement on behalf of Uniprop and file a Schedule 14D-9 or provide the information required by a Schedule 14D-9 through any other means of publication to its investors in connection with these tender offers and thereby, caused Uniprop to violate Exchange Act Rule 14e-2.

Respondent

2. **Genesis Associates Limited Partnership** is a Michigan limited partnership with its principal place of business in Birmingham, Michigan. It is the general partner of Uniprop and provides it with administrative services pursuant to a limited partnership agreement. The agreement specifies that Genesis is responsible for filing Uniprop’s Form S-11 registration statement with the Commission as well as other public filings on Uniprop’s behalf.

Related Party

3. **Uniprop Manufactured Housing Communities Income Fund II** is a Michigan limited partnership with its principal place of business in Birmingham, Michigan. Formed in 1986, Uniprop acquires, operates, and sells income producing residential real properties consisting of manufactured housing communities. Uniprop, which has no executive employees, is controlled by its general partner, Genesis. Uniprop’s securities are units of Beneficial Assignment of Limited Partnership Interest (“Units”) and are registered pursuant to Section 12(g) of the Exchange Act. The Units are not publicly traded on any national exchange and are relatively illiquid. Given that there is no public market for Uniprop’s securities, investors who want to sell their Units have to either locate a buyer or accept an offer, including tender offers. According to its 2017 Form 10-K, filed on March 10, 2017, 2040 Unit holders collectively own 99% of Uniprop, which had a Net Asset Value of \$43,109,987 (or \$13.05/unit).

Legal Framework

4. Exchange Act Rule 14e-2 requires that a company facing a tender offer give to security holders a statement disclosing the company’s position with respect to the offer. Exchange Act Section 14(d)(4) and Rule 14d-9(b) thereunder further require that companies facing tender offers subject to Regulation 14D (an open offer that would result in the offeror

holding more than 5% of any class of a public company's securities) respond to the offer by filing a Schedule 14D-9. A Schedule 14D-9 is designed to announce the subject company board's recommendation with respect to how shareholders should respond to the tender offer. The subject company is required to state a position on the offer: accepting, rejecting, remaining neutral, or stating that it is unable to take a position, and disclose the basis for its statement. Among other things, the subject company must also describe the terms of the offer, any conflicts of interest, the existence of any negotiations between the company and offeror, any recent transactions in the company's securities, and any compensation for any advisors retained to respond to the tender offer. The Commission has stated that the required disclosures "would assist security holders in making their investment decisions and in [their] evaluation [of] the merits of a solicitation/recommendation in the context of a tender offer." Exchange Act Release 15548 (February 5, 1979). Failure to publish, send or give a statement disclosing the subject company position regarding the offer is itself a violation of Exchange Act 14e-2. Scierter is not required to establish a violation.

5. A respondent may be liable for causing another party's violation when the respondent committed an act or omission that was a cause of the violation and the respondent knew, or should have known, that its act or omission would contribute to the violation.

Genesis Caused Uniprop to Fail to Respond to Three Tender Offers

6. From June 2007 until April 2016, Uniprop was the target of three tender offers from a publicly traded real estate investment management business (the "Offeror"). Genesis failed to make a statement in compliance with Exchange Act Rule 14e-2 and to file a Schedule 14D-9 on behalf of Uniprop in response to each of the Offeror's tender offers.

7. On June 25, 2007, the Offeror filed a Schedule TO with the Commission announcing a tender offer for up to 17.58% of outstanding Units at a price of \$8.00 per Unit. Uniprop was required to respond to the tender offer on or before July 10, 2007. Genesis did not make a statement in compliance with Exchange Act Rule 14e-2 and did not file a Schedule 14D-9 on behalf of Uniprop in response to this tender offer. The Offeror later reported that it acquired 57,997 Units (or 1.75% of the outstanding Units) through the tender offer.

8. On May 18, 2015, the Offeror filed a Schedule TO with the Commission announcing a tender offer for up to 15.14% of outstanding Units at a price of \$4.50 per Unit. Uniprop was required to respond to the tender offer on or before June 2, 2015. Genesis did not make a statement in compliance with Exchange Act Rule 14e-2 and did not file a Schedule 14D-9 on behalf of Uniprop in response to this tender offer. The Offeror later reported that it acquired 44,902 Units (or 0.01% of the outstanding Units) through the tender offer.

9. On March 31, 2016, the Offeror filed a Schedule TO with the Commission announcing a tender offer for up to 18.92% of outstanding Units at a price of \$8.00 per Unit. Uniprop was required to respond to the tender offer on or before April 13, 2016. Genesis did not make a statement in compliance with Exchange Act Rule 14e-2 and never filed a Schedule

14D-9 on behalf of Uniprop in response to this tender offer. The Offeror later reported that it acquired 24,457 Units (or 0.01% of the outstanding Units) through the tender offer.

10. Genesis had notice of the Offeror's tender offers on several occasions. The Offeror, as required under the Exchange Act, filed Schedules TO with the Commission and sent a copy of the tender offer filings by mail to Uniprop. In addition, Genesis was contacted by investors who wished to tender their Units to the Offeror. Genesis facilitated the transfer of Units in connection with investors who chose to tender their Units.

11. The 2007, 2015 and 2016 tender offers would have resulted in the Offeror holding more than 5% of outstanding units had all Units been tendered pursuant to the terms of the offer. Accordingly, responding to each of these tender offers ordinarily would have triggered the Schedule 14D-9 filing requirement. By failing to publish, send or make a statement regarding its position with respect to the tender offers, which would have necessitated the filing of a Schedule 14D-9, Uniprop violated Exchange Act Rule 14e-2 on all three occasions.

12. Based on the limited partnership agreement between Genesis and Uniprop, Genesis, as its general partner, was responsible for managing Uniprop and making sure it complied with its filing obligations. By 2016, Genesis also knew or should have known that Uniprop was the subject of tender offers that triggered the obligation to make a statement in compliance with Exchange Act Rule 14e-2 and, in turn, required it to make filings on Schedule 14D-9. Given the multiple tender offers, inquiries from investors, and the tendering of shares, Genesis knew or should have known that Uniprop had an obligation to make a statement in compliance with Exchange Act Rule 14e-2 that would have required Schedule 14D-9 filings.

Violations

13. As a result of the conduct described above, Genesis caused Uniprop to violate Rule 14e-2 under the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Genesis's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Genesis cease and desist from committing or causing any violations and any future violations of Rule 14e-2 of Regulation E under the Exchange Act.

B. Respondent shall, within 10 days of the entry of this Order, pay a civil money

penalty in the amount of \$50,000 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Genesis, Inc. as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Anita B. Bandy, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

C. Regardless of whether the Commission in its discretion orders the creation of a Fair Fund for the penalties ordered in this proceeding, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall,

within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Brent J. Fields
Secretary