

State of Missouri  
Office of Secretary of State

Case No. 05-32

IN THE MATTER OF:

Genesis Partners, Inc.  
3101 Havenhill Court  
Edgewater, MD 21037

Respondent.

**CONSENT ORDER**

1. The Missouri Securities Division alleges that Genesis Partners, Inc. engaged in activities as an unregistered investment adviser in violation of §§ 409.4-403 and 409.4-405, RSMo Cumulative Supp. 2004.
2. Genesis Partners, Inc. desires to settle the allegations and the matters raised by the staff of the Securities Division relating to Genesis Partners, Inc.'s alleged unregistered investment advisory activities.
3. Genesis Partners, Inc. and the Securities Division consent to the issuance of this Consent Order.
4. Genesis Partners, Inc. stipulates and agrees to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
5. Genesis Partners, Inc. waives its right to a hearing with respect to this matter.
6. Genesis Partners, Inc. stipulates and agrees that it waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Further, Genesis Partners, Inc. specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to or relating to this matter.
7. Genesis Partners, Inc. stipulates and agrees that, should the facts contained herein prove to be false or incomplete, the Missouri Division of Securities preserves the right to pursue any and all legal or administrative remedies at its disposal.

**STIPULATIONS OF FACT**

8. Respondent and the Securities Division stipulate and agree to the following Stipulations of Fact:
9. Genesis Partners, Inc. is an investment adviser with an address of 3101 Havenhill Court, Edgewater, MD 21037. (CRD #132783.)

10. Genesis Partners, Inc. was established on January 3, 2005.
11. On January 3, 2005, Genesis Partners, Inc. filed a 120-day temporary SEC registration.
12. Genesis Partners, Inc. maintains branch offices in Virginia and Georgia.
13. Genesis Partners, Inc. is not currently and has never been registered as an investment adviser in the State of Missouri.
14. At the time Genesis Partners, Inc. filed their 120-day temporary registration with the SEC Genesis Partners Inc. failed to submit a notice filing with Missouri.
15. In April 2005, Genesis Partners, Inc. withdrew its registration with the SEC.
16. From March 2005 to June 2005, Genesis Partners, Inc. acquired ten (10) Missouri clients.
17. Genesis Partners, Inc. generated fees of \$198.00 from two (2) of their Missouri clients but did not charge fees to their other eight (8) Missouri clients after determining that they may not be compliant with the Missouri Securities Act of 2003.
18. On or about June 9, 2005, Genesis Partners, Inc. applied for registration as an investment adviser in Missouri.

## **LAW & ANALYSIS**

19. § 409.4-405, RSMo Cumulative Supp. 2004 requires a federal covered investment adviser doing business in Missouri to file notice consistent with §409.6-611, RSMo Cumulative Supp. 2004, unless the adviser has had not more than five (5) Missouri residents as clients in the preceding twelve (12) months.
20. § 409.4-403, RSMo Cumulative Supp. 2004 requires all persons transacting business as an investment adviser in Missouri to register with the State of Missouri unless the person does not have a place of business in Missouri and the adviser has had not more than five (5) Missouri residents as clients in the preceding twelve (12) months.
21. During the period from January 2005 to April 2005, Genesis Partners, Inc. was registered as an investment adviser with the SEC, failed to file notice with the state of Missouri, and had more than five (5) Missouri residents as clients, thereby violating § 409.4-405, RSMo Cumulative Supp. 2004.
22. After withdrawing its registration from the SEC, Genesis Partners Inc. continued transacting business in Missouri as an investment adviser to at least ten (10) Missouri residents, thereby violating § 409.4-403, RSMo Cumulative Supp. 2004.

## **JURISDICTIONAL BASIS**

23. Genesis Partners, Inc. and the Securities Division stipulate and agree that the Commissioner has jurisdiction over these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, et al.

24. Genesis Partners, Inc. and the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to § 409.6-604(h), RSMo Cumulative Supp. 2004, which provides:

The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.

## **ORDER**

**WHEREAS**, the Commissioner, after consideration of the stipulations set forth above and on the consent of Genesis Partners, Inc. and the Securities Division, finds the following Order to be in the public interest, necessary for the protection of public investors and consistent with the provisions of Chapter 409, et al.

**NOW, THEREFORE**, it is hereby Ordered that:

1. Genesis Partners, Inc. is prohibited from conducting business in the State of Missouri as an investment adviser and employing investment adviser representatives pursuant to §§ 409.4-403 and 409.4-405 RSMo Cumulative Supp. 2004 until becoming registered in the State of Missouri.
2. Genesis Partners, Inc. agrees not to seek registration as an investment adviser in the state of Missouri for a period of five years.
3. Genesis Partners, Inc. agrees to restitution in the amount of \$198.00 payable to the Missouri investors who were charged a fee. Copies of checks to these individuals and their names and addresses must be provided to the Division within thirty (30) days of the date of this order.
4. Genesis Partners, Inc. shall pay \$500 to the Missouri Secretary of State's Investor Education and Protection Fund. Such amount shall be immediately due and payable.
5. Genesis Partners, Inc. shall pay its own costs and attorneys fees with respect to this matter.

### **SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 12<sup>TH</sup> DAY OF AUGUST, 2005.

ROBIN CARNAHAN  
SECRETARY OF STATE

(Signed/Sealed)  
DAVID B. COSGROVE  
COMMISSIONER OF SECURITIES

Consented to by:

Philip Toben  
Chief Registration Counsel

Missouri Division of Securities

Genesis Partners, Inc.