

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 99466 / February 5, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21602**

_____	:	<b>ORDER APPOINTING FUND</b>
<b>In the Matter of</b>	:	<b>ADMINISTRATOR, SETTING</b>
	:	<b>ADMINISTRATOR'S BOND AMOUNT,</b>
<b>Prime Group Holdings, LLC,</b>	:	<b>AND AUTHORIZING PAYMENT OF</b>
	:	<b>FEES AND EXPENSES</b>
<b>Respondent.</b>	:	
_____	:	

On September 5, 2023, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings and Imposing a Cease-and Desist Order (the “Order”)<sup>1</sup> against Prime Group Holdings, LLC (the “Respondent”). In the Order, the Commission found that Respondent, a private equity real estate firm focused on alternative real estate asset classes, made inadequate disclosures and materially misleading statements in the offering materials of Prime Storage Fund II, LP (“Fund II”), relating to millions of dollars of earned real estate brokerage fees paid between 2017 and 2021 to an affiliated real estate brokerage firm (“Affiliate”) which is wholly owned by Respondent’s CEO. The Respondent managed and oversaw the operations of numerous self-storage real estate properties, some of which are fully owned by Fund II, with others managed on behalf of other investors including Respondent’s CEO. Respondent retained employees and independent contractors to source real estate acquisition transactions (“Deal Teams”). The brokerage fees paid to Affiliate in connection with property acquisition were used, in part to compensate the

<sup>1</sup> Securities Act Rel No. 11228 (Sept. 5, 2023).

Deal Teams that sourced transactions on behalf of Fund II, as well as to pay for operational expenses of Respondent's operations. Fund II's offering materials, including its limited partnership agreement, private placement memorandum, and due diligence questionnaires, included statements regarding certain contemplated fees to be paid by Fund II for services, including brokerage fees. These offering materials, however, did not adequately disclose that certain brokerage fees would be paid to an affiliate or that such payment could create a conflict of interest, or that fees received by Affiliate paid for, in part, operation expenses of Respondent. These failures to disclose material information rendered statements made by Respondent to investors in Fund II misleading.

The Commission ordered the Respondent to pay \$11,5100,625.00 in disgorgement, \$2,561,197.00 in prejudgment interest and \$6,500,000.00 civil penalty, for a total of \$20,571,822.00 to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty collected, along with the disgorgement and interest collected, can be distributed to harmed investors (the "Fair Fund").

The Fair Fund consists of the \$20,571,822.00 paid by the Respondent. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury and any accrued interest will be added to the Fair Fund.

The Division of Enforcement (the "Division") now seeks the appointment of SS&C GIDS, Inc. ("SS&C") as the fund administrator and requests that the administrator's bond be set at \$20,571,822.00. SS&C is included in the Commission's approved pool of administrators.

The Division further requests that the Commission authorize the Office of Financial Management ("OFM"), at the direction of an Assistant Director of the Office of Distributions, to pay the Fund Administrator's fees and expenses from the Fair Fund, so long as the total amount

paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

Accordingly, IT IS HEREBY ORDERED that:

- A. SS&C is appointed as the Fund Administrator, pursuant to Rule 1105(a) of the Commission's Rules on Fair Fund and Disgorgement Plans ("Commission's Rules");<sup>2</sup>
- B. SS&C shall obtain a bond in accordance with Rule 1105(c) of the Commission's Rules,<sup>3</sup> in the amount of \$20,571,822.00;
- C. the Fund Administrator will submit invoices to the Commission staff for services rendered, in accordance with Rule 1105(d) of the Commission's Rules;<sup>4</sup> and
- D. at the direction of an Assistant Director of the Office of Distributions, OFM is authorized to pay the Fund Administrator's fees and expenses from the Fair Fund, in accordance with Rule 1105(e) of the Commission's Rules,<sup>5</sup> so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>6</sup>

Vanessa A. Countryman  
Secretary

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<sup>2</sup> 17 C.F.R. § 201.1105(a).

<sup>3</sup> 17 C.F.R. § 201.1105(c).

<sup>4</sup> 17 C.F.R. § 201.1105(d).

<sup>5</sup> 17 C.F.R. § 201.1105(e).

<sup>6</sup> 17 C.F.R. § 200.30-4(a)(17) and 17 C.F.R. § 200.30-4(a)(21)(vi).