



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 him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below

On the basis of this Order and Respondent's Offer, the Commission finds that:

### III.

1. Krohn, age 36, resides in Round Rock, Texas. He is and has been a certified public accountant licensed to practice by the State of Arizona. Krohn provided accounting advice to entities regarding the offering of securities in violation of the federal securities laws.

2. On August 6, 2012 the Commission filed a complaint against Krohn in SEC v. The Companies (TC), LLC, et al., (Civil Action No. 2:12-cv-00765-DN). On August 9, 2012, the court entered an order permanently enjoining Krohn, by consent, from future violations of Sections 5(a), 5(c), 17(a)(2), and 17(a)(3) of the Securities Act of 1933.

3. The Commission's complaint alleged, among other things, that Krohn, in violation of federal securities laws and in connection with the sale of approximately \$11.9 million of securities to approximately 169 investors, made material misrepresentations and omissions regarding, among other things, the value of company assets. The alleged misrepresentations and omissions were contained in private placement memoranda ("PPMs") used in unregistered offerings. The complaint alleged that Krohn participated in drafting and providing content for the PPMs and solicited investors. The complaint further alleged that the securities were not registered, in violation of the federal securities laws, because the PPMs wrongfully relied on the exemption to registration pursuant to Regulation D, Rule 506. The complaint alleged that the offerings did not meet the Regulation D, Rule 506 requirements because the securities were offered through general solicitation.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Krohn's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Krohn is suspended from appearing or practicing before the Commission as an accountant.

B. After two years from the date of this order, Respondent may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. an independent accountant. Such an application must satisfy the Commission that:

(a) Respondent, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Respondent, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in the respondent's or the firm's quality control system that would indicate that the respondent will not receive appropriate supervision;

(c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent acknowledges his responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Elizabeth M. Murphy  
Secretary