

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10371 / June 19, 2017

SECURITIES EXCHANGE ACT OF 1934
Release No. 80963 / June 19, 2017

INVESTMENT ADVISERS ACT OF 1940
Release No. 4717 / June 19, 2017

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3879

ADMINISTRATIVE PROCEEDING
File No. 3-18036

In the Matter of

MARK C. NORTHROP, CPA,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION’S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Mark C. Northrop (“Respondent” or “Northrop”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting

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 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.

III.

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

1. Respondent, age 67, has been a licensed certified public accountant since April 26, 1983. Respondent maintains and exercises ultimate authority over Kingdom Legacy General Partner, LLC (“KLGP”). Since at least December 2010, Northrop and KLGP were unregistered investment advisers to Kingdom Legacy Fund (“KLF”) and the various interests offered in KLF, known as the “Kingdom Share Classes.”

2. On June 6, 2017, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8(a) thereunder, in the civil action entitled Securities and Exchange Commission v. Kingdom Legacy General Partner, LLC, et al., Case No. 16-cv-00441-SPC-MRM, in the United States District Court for the Middle District of Florida. Respondent was also ordered to pay \$3,315,727.64 million in disgorgement, \$515,188.59 in prejudgment interest, and a \$320,000 civil penalty, jointly and severally with KLGP.

3. The Commission’s Amended Complaint alleged that between December 2010 and September 2015, Northrop and his alter-ego, KLGP, conducted an offering fraud in which Northrop and KLGP secretly charged KLF investors undisclosed fees of either 40% or 50% of the trading profits over-and-above the disclosed fees. As a result of this conduct, Northrop, KLGP, and other Northrop-controlled entities obtained more than \$3 million to which they were not entitled. The Amended Complaint also alleges KLGP and Northrop made other material misrepresentations to investors, falsely claiming that (a) Northrop had a long-standing successful investing track record, (b) Northrop’s family was the largest investor in KLF, and (c) the Northrop family only made money when investors made money.

the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Northrop is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Brent J. Fields
Secretary