

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4716 / June 19, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18035

In the Matter of

MARK C. NORTHROP,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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 pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Mark C. Northrop (“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 him and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, 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.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Northrop be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially

waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary