

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96000 / October 6, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20030

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| In the Matter of | : | |
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| Northern Trust Hedge Fund Services | : | NOTICE OF PROPOSED PLAN OF |
| LLC and Northern Trust Global Fund | : | DISTRIBUTION AND OPPORTUNITY TO |
| Services Cayman Limited, | : | COMMENT |
| | : | |
| | : | |
| Respondents. | : | |

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (“Commission”) Rules on Fair Fund and Disgorgement Plans, (“Commission’s Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Proposed Plan”) for the distribution of monies paid to the Commission by Northern Trust Hedge Fund Services, LLC and Northern Trust Global Fund Services Cayman Limited (collectively, the “Respondents”) in the above-captioned matter.

On September 18, 2020, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against the Respondents, the fund administrators for the LR Global Frontier Master Fund, Ltd. and two feeder funds, the LR Global Frontier Fund, Ltd. (offshore) and the LR Global Frontier Fund LP (onshore) (collectively, the “Funds”). According to the Order, from at least 2013 through mid-2017, Donald S. LaGuardia (“LaGuardia”), through the investment adviser he controlled, L-R Managers, LLC (“L-R Managers”) (collectively with LaGuardia, the “Advisers”), defrauded the Funds and their investors, misappropriating money from the Funds and directing that some of the misappropriated amounts be recorded as a promissory note and receivable “due from” L-R Managers to the Funds to conceal the misappropriation. The Order further finds that the Respondents caused the Advisers’ violations of the antifraud provisions of the Investment Advisers Act of 1940 by, among other things, failing to adequately escalate concerns they identified regarding the Advisers prior to their engagement, permitting the Advisers to make unsupported withdrawals, improperly accounting for account receivables, and failing to obtain sufficient pricing support for a significant holding of the Funds. The Commission ordered Northern Trust Hedge Fund Services, LLC to pay disgorgement of \$15,076 and prejudgment interest of \$2,553, and ordered the Respondents, jointly and severally, to pay a civil money

¹ Advisers Act Rel. No. 5585 (Sept. 18, 2020).

penalty of \$150,000. The Commission further established a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (the “Northern Trust Fair Fund”), so the collected civil penalty, along with the collected disgorgement and interest, can be distributed to harmed investors. The Respondents have paid in full.

The Northern Trust Fair Fund is comprised of the \$167,629 paid by the Respondents. The assets of the Northern Trust Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Northern Trust Fair Fund has been deposited in an interest-bearing account at the U.S. Department of Treasury’s Bureau of the Fiscal Service. Accrued interest will be added to, and become a part of, the Northern Trust Fair Fund.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Proposed Plan from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Catherine E. Pappas, Esq., United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission’s Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted should include “Administrative Proceeding File No. 3-20030” in the subject line. Comments received will be publicly available. Persons should submit only information that they wish to make publicly available.

THE PROPOSED PLAN

The Proposed Plan provides for the transfer of the Northern Trust Fair Fund, less any investment fees incurred while held at the Commission, to the Distribution Fund established in the related civil action, *SEC v. Donald S. LaGuardia, Jr.*, No. 19-cv-05895 (S.D.N.Y.), for distribution to harmed investors in accordance with a plan to be approved by the district court.

By the Commission.

Vanessa A. Countryman
Secretary