

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4264 / November 13, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16957

In the Matter of

GEORGE P. BROWN,

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 George P. Brown (“Brown” or “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 Section 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. Brown was the chief marketing officer and a director of Summit Trust Company ("STC"), a Nevada-chartered trust company. Brown was also the vice president, owner, and managing member of Rampart Capital Management, LLC ("RCM"), an unregistered investment adviser to the Rampart Fund LP ("Rampart Fund"), a private fund. In addition, Brown was the vice president and chairman of Trust Counselors Network, Inc. ("TCN"), a charitable organization registered under Section 501(c)(3) of the Internal Revenue Code. Finally, Brown was the chairman, part owner, and investment adviser representative of Brown Investment Advisors, Inc. ("BIA"), an investment adviser registered with the states of Pennsylvania and New Jersey. Brown, 81 years old, is a resident of Chalfont, Pennsylvania.

2. On November 5, 2015, a final judgment was entered by consent against Brown, 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, Sections 206(1), (2), (3), and (4) of the Advisers Act and Rule 206(4)-8 thereunder, and Section 7(a) of the Investment Company Act of 1940, in the civil action entitled Securities and Exchange Commission v. Summit Trust Company, et al., Civil Action Number 15-cv-05843-JCJ, in the United States District Court for the Eastern District of Pennsylvania.

3. The Commission's complaint alleged that Brown participated in three multi-million dollar offering frauds through various entities that he owned and/or controlled. First, between approximately 2008 and 2014, Brown helped STC raise over \$33 million in a preferred stock offering based upon representations that the proceeds would be used to open additional trust offices and to acquire other assets under management from trust or advisory firms. In fact, Brown knew that STC used millions of dollars for other purposes, such as paying other STC investors' preferred stock dividends and redemptions and making payments to Brown's other affiliated entities. Second, between approximately 2008 and 2013, Brown, acting through RCM, BIA, and STC, helped the Rampart Fund raise approximately \$7.9 million in a promissory notes offering for the purported purpose of investing in mezzanine debt financing programs. However, Brown concealed from investors the default by the Rampart Fund's primary underlying investment and the Rampart Fund's use of new investor proceeds to pay interest and redemptions due to other Rampart Fund investors. On behalf of the Rampart Fund, Brown also used Fund proceeds to purchase securities which were issued by entities that he owned and controlled without providing disclosure and obtaining effective consent from the Rampart Fund. In addition, he substantially assisted the Rampart Fund in offering and selling securities as an unregistered investment company. Third, from approximately 2004 through 2015, Brown helped TCN raise over \$12 million from investors for various estate planning products, including charitable gift annuities and charitable installment bargain sales. However, due to losses on TCN's speculative investments which Brown knew about, since approximately 2008, TCN was operated like a Ponzi scheme by using funds from new investors to meet TCN's older annuity and other obligations. TCN also misappropriated investor funds by paying undisclosed commissions on sales of the estate planning products, transferring

cash to BIA, and making a personal loan to Brown. Finally, the complaint alleged that Brown engaged in the unregistered offer and sale of the securities of STC, the Rampart Fund, and TCN.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Brown 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