

UNITED STATES OF AMERICA  
Before the  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
Release No. 5954 / February 8, 2022

**ADMINISTRATIVE PROCEEDING**  
File No. 3-20735

**In the Matter of**

**George S.  
Blankenbaker,**

**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 S. Blankenbaker (“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. From 2015 to December 2016, Blankenbaker was associated with two investment advisers registered with Indiana. He was employed as the chief compliance officer for both firms. Respondent, 55 years old, is a resident of Westfield, Indiana.

2. On January 21, 2022, 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 (“Securities Act”), and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder in the civil action entitled *Securities and Exchange Commission v. George S. Blankenbaker, et al.*, Civil Action Number 21-cv-00790-JPH-TAB, in the United States District Court for the Southern District of Indiana.

3. The Commission’s complaint alleged that between August 2016 and May 2019, Respondent and three companies he owns and controls—StarGrower Commercial Bridge Loan Fund 1 LLC, StarGrower Asset Management LLC and Blankenbaker Investments Fund 17 LLC (collectively “Blankenbaker’s Companies”—raised more than \$11 million from at least 109 investors, many of whom were elderly, through an illegal offering fraud scheme. The Commission’s complaint further alleged that Respondent and the Blankenbaker Companies falsely told investors that their money would be used to make short-term loans to food exporters in Asia, that the investors would receive interest payments from the profits generated from the loans, and that the investments were secured by shipping containers holding the food products. According to the complaint, unbeknownst to investors, Respondent misused at least \$8.1 million of their money, including by directing at least \$4 million to hemp companies. He allegedly also misappropriated at least \$1.7 million in investor funds to use for his own personal benefit, including by making approximately \$1.6 million in hemp investments in his own name and using \$87,320 to pay for his own personal expenses. He also used at least \$965,000 in new investor funds to make Ponzi-style payments to prior investors. In addition to being fraudulent, two of Respondent’s securities offerings allegedly violated the registration provisions of the federal securities laws.

#### IV.

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

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

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, compliance with the Commission’s order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered

against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman  
Secretary