

Division of Securities
Utah Department of Commerce
160 East 300 South
P.O. Box 146760
Salt Lake City, Utah 84114-6760
Telephone: 801 530-6600

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

**G FUND MANAGEMENT, LLC,
CRD#142365**

Respondent.

**PETITION TO CENSURE AND IMPOSE
A FINE**

Docket No.

11-12-005

Pursuant to the authority of the Utah Uniform Securities Act (“Act”), Utah Code Ann. § 61-1-6, the Utah Division of Securities (“Division”) hereby petitions the Utah Securities Commission (“Commission”) to enter an Order censuring the Respondent and imposing a fine. In support of this petition, the Division alleges:

STATEMENT OF FACTS

1. G Fund Management, LLC (“G Fund”) was licensed in Utah as an investment adviser from December 18, 2008 until November 7, 2011 when it requested termination of its license. G Fund’s place of business was 3369 Mayflower Way, Ste. 200, Lehi, Utah.¹

¹There is no record of “G Fund Management, LLC” with the Utah Division of Corporations. However, a similarly named entity, “G Fund Capital Management, LLC” was registered as a Delaware limited liability company located at the same Lehi, Utah address. That entity’s registered agent, Gregory M. Jensen, is the president and CEO of G Fund. G Fund Capital Management, LLC has never been licensed as an investment adviser and its corporate registration with the Utah Division of Corporations has been delinquent since November 21, 2011.

2. Gregory M. Jensen (“Jensen”), CRD#5559576, is the president and CEO of G Fund. He was licensed as an investment adviser representative of G Fund from December 18, 2008 until November 9, 2011.
3. Hurley Investments, LLC (“Hurley Investments”), IARD#153535, is a Utah limited liability company also with a place of business at 3369 Mayflower Way, Ste. 200, Lehi, Utah. It was licensed in Utah as an investment adviser from May 27, 2010 to December 31, 2011, when it failed to renew its license.
4. Kevin M. Hurley (“Hurley”), CRD#5633668, is the owner, managing member, and chief compliance officer of Hurley Investments, and was licensed as an investment adviser representative of Hurley Investments from June 1, 2010 to December 31, 2011. Hurley has taken and passed the Series 7, 63 and 65 examinations. He was previously licensed as a broker-dealer agent and investment adviser representative of J.P. Turner & Company, LLC, from January 2009 to May 2010.
5. In June 2010, Hurley began to act as an investment adviser representative of G Fund. However, G Fund failed to file an investment adviser representative application with the Division. As a result, Hurley never became licensed as an investment adviser representative of G Fund.
6. Believing he was properly licensed with G Fund², Hurley transacted business as an investment adviser representative of G Fund for approximately 15 months and received

²Utah Admin. Code Rule R164-4-2(3) describes the conditions and procedures under which the Division may allow an individual to be licensed with more than one investment adviser at one time. No application for a dual licensure was filed with the Division.

approximately \$33,590 in compensation from G Fund. During that period, Hurley's activities included working directly with G Fund clients and acting as the back-up contact for CEO Jensen when Jensen was out of the office.

7. G Fund's Form ADV³ described Hurley's activities as an investment adviser representative of G Fund and disclosed that Hurley spent five hours a week with Hurley Investments activities, indicating that due to the conflict of interest between Hurley Investments and G Fund, there would be no mutual clients between Hurley Investments and G Fund.
8. Hurley Investments' Form ADV disclosed Hurley's activities with G Fund and with Options Animal, an investment-related business that teaches clients options trading strategies. Options Animal is owned and managed by Jensen and the other owner of G Fund.
9. G Fund's Form ADV failed to disclose Hurley's activities with Options Animal.
10. Hurley's lack of licensure was discovered during a September 2011 field audit by the Division, at which time Jensen acknowledged the error, stating that the failure to license Hurley was an administrative oversight.

FIRST CAUSE OF ACTION
Unlicensed Investment Adviser Representative Under § 61-1-3

11. From June 2010 through 2011, G Fund associated with an unlicensed investment adviser representative, Hurley, in violation of Section 61-1-3(4)(a)(i) of the Act.

³Form ADV is the uniform form used by investment advisers to register with both the United States Securities & Exchange Commission and state securities regulators.

REQUEST FOR RELIEF

The Division requests that based upon Respondent's violations of the Act, pursuant to § 61-1-6 of the Act, the Commission enter an order censuring Respondent and imposing a fine of \$2,500.00.

Dated this 12 day of January, 2012



Dave R. Hermansen
Director of Licensing and Compliance
Utah Division of Securities

Approved:



D. Scott Davis
Assistant Attorney General

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801)530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

**G FUND MANAGEMENT, LLC,
CRD#142365**

Respondent.

NOTICE OF AGENCY ACTION

Docket No. 00-12-0005

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENT:

You are hereby notified that agency action in the form of an adjudicative proceeding has been commenced against you by the Utah Division of Securities (Division). The adjudicative proceeding is to be formal and will be conducted according to statute and rule. See Utah Code Ann. §§ 63G-4-201 and 63G-4-204 through -209; see also Utah Admin. Code R151-4-101, *et seq.* The legal authority under which this formal adjudicative proceeding is to be maintained is Utah Code Ann. § 61-1-6. The facts on which this action is based are set forth in the accompanying Petition. You may be represented by counsel or you may represent yourself in this proceeding. Utah Admin. Code R151-4-110.

You must file a written response with the Division within thirty (30) days of the mailing date of this Notice. Your response must be in writing and signed by you or your representative. Your

response must include the file number and name of the adjudicative proceeding, your version of the facts, a statement of what relief you seek, and a statement summarizing why the relief you seek should be granted. Utah Code Ann. § 63G-4-204(1). In addition, pursuant to Utah Code Ann. § 63G-4-204(3), the presiding officer requires that your response:

- (a) admit or deny the allegations in each numbered paragraph of the Petition, including a detailed explanation for any response other than an unqualified admission. Allegations in the Petition not specifically denied are deemed admitted;
- (b) identify any additional facts or documents which you assert are relevant in light of the allegations made; and
- (c) state in short and plain terms your defenses to each allegation in the Petition, including affirmative defenses, that were applicable at the time of the conduct (including exemptions or exceptions contained within the Utah Uniform Securities Act).

Your response, and any future pleadings or filings that should be part of the official files in this matter, should be sent to the following:

Signed originals to:
Administrative Court Clerk
c/o Julie Price
Utah Division of Securities
160 E. 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:
D. Scott Davis
Assistant Attorney General
160 E. 300 South, Fifth Floor
Box 140872
Salt Lake City, UT 84114-0872
(801) 366-0310

An initial hearing in this matter has been set for February 22, 2012 at the Division of Securities, 2nd Floor, 160 East 300 South, Salt Lake City Utah, at 9am. The purpose of the initial hearing is to enter a scheduling order addressing discovery, disclosure, and other deadlines, including

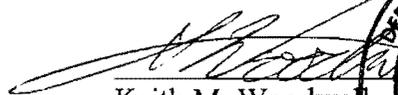
pre-hearing motions, and to set a hearing date to adjudicate the matter alleged in the Petition.

If you fail to file a response, as described above, or fail to appear at any hearing that is set, the presiding officer may enter a default order against you without any further notice. Utah Code Ann. § 63G-4-209; Utah Admin. Code R151-4-710(2). After issuing the default order, the presiding officer may grant the relief sought against you in the Petition, and will conduct any further proceedings necessary to complete the adjudicative proceeding without your participation and will determine all issues in the proceeding. Utah Code Ann. § 63G-4-209(4). In the alternative, the Division may proceed with a hearing under § 63G-4-208.

The Administrative Law Judge will be Angela Hendricks, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6035. This adjudicative proceeding will be heard by Ms. Hendricks and the Utah Securities Commission. At any hearings, the Division will be represented by the Attorney General's Office. You may appear and be heard and present evidence on your behalf at any such hearings.

You may attempt to negotiate a settlement of the matter without filing a response or proceeding to hearing. To do so, please contact the Utah Attorney General's Office. Questions regarding the Petition should be directed to Scott Davis, Assistant Attorney General, 160 E. 300 South, Fifth Floor, Box 140872, Salt Lake City, UT 84114-0872, Tel. No. (801) 366-0310.

Dated this 12th day of January, 2012.


Keith M. Woodwell
Director, Division of Securities

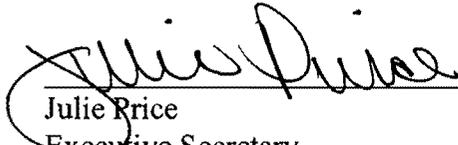


Certificate of Mailing

I certify that on the 15th day of January, 2012, I mailed, by certified mail, a true and correct copy of the Notice of Agency Action and Petition to:

G Fund Management, LLC
3369 Mayflower Way, Ste. 200
Lehi, UT 84043
Attn: Gregory M. Jensen

Certified Mail # 7057 0220 0001 0010 5557



Julie Price
Executive Secretary