

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

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

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**IN THE MATTER OF:**

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

**Respondent.**

**STIPULATION AND CONSENT ORDER**

**Docket No. SD-12-0005**

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The Utah Division of Securities (“Division”), by and through its Director of Licensing and Compliance, Dave R. Hermansen, and Respondent G Fund Management, LLC (“G Fund” or “Respondent”), hereby stipulate and agree as follows:

1. Respondent has been the subject of an investigation by the Division into allegations that it violated the Utah Uniform Securities Act (“Act”), Utah Code Ann. § 61-1-1, *et seq.*
2. On or about January 12, 2012, the Division initiated an administrative action against Respondent by filing a Petition to Censure and Impose a Fine.
3. Respondent hereby agrees to settle this matter with the Division by way of this Stipulation and Consent Order (“Order”). If entered, the Order will fully resolve all claims the Division has against Respondent pertaining to the January 12, 2012 Petition.
4. Respondent admits that the Division has jurisdiction over it and the subject matter of this

action.

5. Respondent hereby waives any right to a hearing to challenge the Division's evidence and present evidence on its behalf.
6. Respondent has read this Stipulation and Consent Order, understands its contents, and voluntarily agrees to the entry of the Order set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondent to enter into this Order, other than as described in this Order.
7. Respondent understands that it may be represented by counsel in this matter, understands the role that counsel would have in defending and representing its interests in this case, and hereby knowingly, freely, and voluntarily waives its right to have counsel represent it in this proceeding.

#### **I. FINDINGS OF FACT**

8. 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.<sup>1</sup>
9. 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

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<sup>1</sup>There 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.

until November 9, 2011.

10. 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. Hurley Investments is licensed in Utah as an investment adviser.
11. Kevin M. Hurley (“Hurley”), CRD#5633668, is the owner, managing member, and chief compliance officer of Hurley Investments, and is licensed as an investment adviser representative of Hurley Investments. 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.
12. 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.
13. Believing he was properly licensed with G Fund<sup>2</sup>, Hurley transacted business as an investment adviser representative of G Fund for approximately 15 months and received 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.

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<sup>2</sup>Utah 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.

14. G Fund's Form ADV<sup>3</sup> 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.
15. 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.
16. G Fund's Form ADV failed to disclose Hurley's activities with Options Animal.
17. 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.

## **II. CONCLUSIONS OF LAW**

18. 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.

## **III. REMEDIAL ACTIONS/SANCTIONS**

19. Respondent neither admits nor denies the Division's findings and conclusions, but consents to the sanctions below being imposed by the Division.
20. Respondent represents that the information it has provided to the Division as part of the

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

Division's investigation is accurate and complete.

21. Respondent agrees to cease and desist from violating the Utah Uniform Securities Act, and to comply with the requirements of the Act in all future business in this state.
22. Pursuant to Utah Code Ann. § 61-1-6, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, Respondent agrees to pay a fine to the Division in the amount of \$2,500.00. The fine shall be paid within thirty (30) days following entry of this Order.

#### **IV. FINAL RESOLUTION**

23. Respondent acknowledges that this Order, upon approval by the Utah Securities Commission, shall be the final compromise and settlement of this matter. Respondent further acknowledges that if the Commission does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.
24. Respondent acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against it arising in whole or in part from its actions, and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondent also acknowledges that any civil, criminal, arbitration or other causes of actions brought by third-parties against it have no effect on, and do not bar, this administrative action by the Division against it.
25. This Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2012

Dated this \_\_\_\_ day of \_\_\_\_\_, 2012

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

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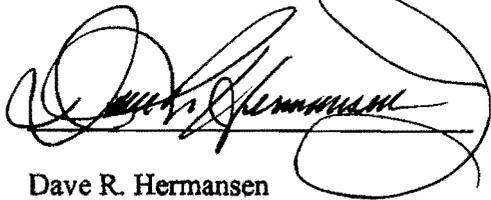
Gregory M. Jensen, President and CEO  
G Fund Management, LLC

Approved:

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D. Scott Davis  
Assistant Attorney General

Dated this 7 day of March, 2012



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

Dated this 5<sup>th</sup> day of March, 2012



Gregory M. Jensen, President and CEO  
G Fund Management, LLC

Approved:



D. Scott Davis  
Assistant Attorney General

**ORDER**

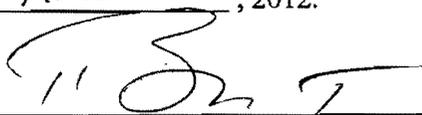
**IT IS HEREBY ORDERED THAT:**

1. The Division's Findings and Conclusions, which are neither admitted nor denied by the Respondent, are hereby entered.
2. Respondent shall cease and desist from violating the Utah Uniform Securities Act and comply with the requirements of the Act in all future business in this state.
3. Pursuant to Utah Code Ann. § 61-1-6, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, a fine is imposed in the amount of \$2,500.00.

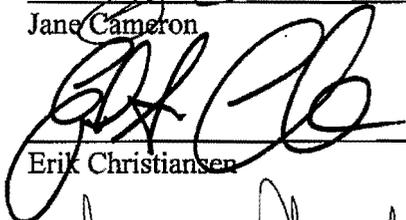
The fine shall be paid in full within thirty (30) days following entry of this Order.

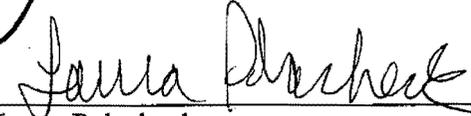
**BY THE UTAH SECURITIES COMMISSION:**

DATED this 22 day of March, 2012.

  
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Tim Bangerter

  
\_\_\_\_\_  
Jane Cameron

  
\_\_\_\_\_  
Erik Christiansen

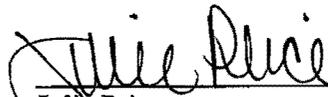
  
\_\_\_\_\_  
Laura Polacheck

**Certificate of Mailing**

I certify that on the 10th day of MARCH, 2012, I mailed, by certified mail, a true and correct copy of the fully executed Stipulation and Consent Order to:

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

Certified Mail # 7007 0220 0001 0000 7012

  
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Julie Price  
Executive Secretary