



**HURLEY** | FINANCIAL GROUP, INC.

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## **ADV Part 2A&B**

PURSUANT TO RULE 204-3  
OF THE INVESTOR  
ADVISERS ACT OF 1940  
January 1, 2017

**Offered by:**

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ADV, PART 2A

Item 1. Cover Page (See front cover of ADV Part 2)

Item 2. Material Changes

The following is a summary of the material changes Hurley Financial Group, Inc. ("HFG") has made to this brochure since the last annual update:

- January 1, 2017. Part 2A, Item 4. Updated amount of client assets under management.
- Updated Part 2B, Item 2. Education Background and Business Experience.

### **Item 3. Table of Contents**

Item Description	Page Number
ADV PART 2A:	
Item 1. Cover Page	Cover
Item 2. Material Changes	1
Item 3. Table of Contents	2
Item 4. Advisory Business	2
Item 5. Fees and Compensation	3
Item 6. Performance-Based Fees and Side-By-Side Management	10
Item 7. Types of Clients	10
Item 8. Method of Analysis, Investment Strategies and Risk of Loss	10
Item 9. Disciplinary Information	11
Item 10. Other Financial Industry Activities and Affiliations	11
Item 11. Codes of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
Item 12. Brokerage Practices	12
Item 13. Review of Accounts	13
Item 14. Client Referral and Other Compensation	13
Item 15. Custody	14
Item 16. Investment Discretion	14
Item 17. Voting Client's Securities	14
Item 18. Financial Information	14
ADV PART 2B:	
Item 1. Cover Page	Cover
Item 2. Education Background and Business Experience	14
Item 3. Disciplinary Information	16
Item 4. Other Business Activities	17
Item 5. Additional Compensation	17
Item 6. Supervision	17

### **Item 4. Advisory Business**

Hurley Financial Group, Inc.'s ("HFG") Investment Advisor Representatives ("IAR") primarily provide comprehensive wealth management services for high net worth households in or nearing retirement. Our wealth management services include investment consulting, advanced planning and relationship management. Our advanced planning services address a range of financial needs for our clients beyond investment consulting including wealth protection, wealth transfer, tax planning, charitable gifting and education funding. Our relationship management services involve three key elements: first, fully understanding our clients' critical needs and meeting those needs over time through a consultative process; second, assembling and managing a network of financial experts; and third, working effectively with our clients' other professional advisors such as their attorneys and accountants.

The amount of client assets under our management as of December 31<sup>st</sup>, 2016 was \$161 million.

## Item 5. Fees and Compensation

HFG provides investment consulting services through six different platforms (Approximately 96% of Advisory Billing):

1. Enhanced Advisory Service ("EAS") Program, sponsored by SEI Trust Company
2. Asset Management Program ("AMP"), sponsored by SEI Trust Company
3. Managed Accounts Program ("MAP"), sponsored by SEI Investments Management Corporation
4. Vision Investment Program ("VIP"), custodian - Pershing

HFG provides the following comprehensive investment consulting services through all of the above mentioned platforms:

- Review of investor's current financial situation and analysis of future financial goals
- Review of investor's current investments and design and implementation of appropriate investments based on the nature of client's other assets, family obligations and personal needs
- Year-long, continual monitoring of investments
- In-depth meetings: to review and evaluate investor's investment performance, update overall financial objectives, and reallocate investor's portfolio, as necessary
- Commission-free transactions on most stocks, bonds or mutual funds traded in investor's account
- Recommendations regarding positioning of funds within investor's employer provided retirement plans such as 401(k)s
- Quarterly letters detailing the firm's research, analysis and view of the current state of the investment markets
- Advice on other areas including, but not limited to, tax reduction, estate planning, retirement income and charitable giving strategies

Fees and compensations for each platform are described below.

### *1. Enhanced Advisory Service Program – SEI Trust Company*

Hurley Financial Group, Inc. may offer their clients the Enhanced Advisory Service ("EAS") Program sponsored by SEI Trust Company in which SEI Trust Company acts as the transfer agent and custodian of the investor's account. SEI Trust Company provides reporting services including consolidated monthly statements, quarterly performance reports, year-end tax reports, and web-based reports. SEI also provides access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum investment.

The EAS program is offered on a Discretionary Trading Basis.

In an account with Discretionary Trading, the IAR may purchase or sell load-waived mutual funds, no-load mutual funds and other equity and debt securities for accounts not included in the initial asset allocation, without obtaining specific client approval for each transaction.

Ongoing Advisory fees for the EAS program are calculated using a banded fee schedule for assets under management. For clients with multiple portfolios in the EAS program, the fee schedule will be aggregated based on the total size of all portfolios per client household. Certain holdings may be excluded from billing,

for example, individual stock holdings held as a courtesy for the client. Clients may be charged a maximum of 2.00% annually. However, the actual fee schedule is set forth in the SEI Trust Company Investment Advisory Agreement which is signed by the client prior to or concurrent with their engagement into the program.

Our current HFG EAS Fee Schedule is listed in the table below.

HFG's current EAS Fee Schedule sponsored by SEI Trust Company:

Portfolio Value	Annual Fee Schedule
\$0 - \$1 M	1.00%
\$1 M - \$5 M	0.80%
\$5 M and over	0.60%

In addition to the EAS Fee Schedule, for our Tactical Growth portfolios there is an additional 0.60% annual platform fee.

The fee percentages listed above are annual fees. For example, a portfolio valued at \$1,000,000 at the end of a quarter would be billed at 0.250% or (\$2,500). The charges to the account are on an arrears basis and are remitted quarterly. The Advisory fee is debited from the client's account by SEI Trust Company on behalf of HFG. SEI does not participate in the Advisory fee. This fee is forwarded directly to HFG. HFG then forwards a fee to Geneos Wealth Management, Inc. ("GWM"), for the functions GWM is required to carry out by FINRA, Financial Industry Regulatory Authority.

Upon written notification, the agreement may be terminated by either HFG or the investor. Prorated fees will be charged based on market value on the date the termination notice is received.

Certain transaction fees may apply to the purchase or sale of some mutual funds, stocks or bonds. When these transactions are a result of the IAR's recommendation, these fees are paid directly by HFG, deducted from the asset management fee or refunded directly into the client's accounts.

SEI charges an expense ratio to their mutual funds; all expense ratios are disclosed in the prospectuses of the funds. SEI's typical range of expense ratios is 0.10% to 2.00%. SEI Trust Company, a subsidiary of SEI Investments Co. acts as the transfer agent and custodian for the client's account. SEI retains any trailer payments, commonly known as 12b-1 fees if applicable on non-SEI funds held in the client's account. Expense ratios on non-SEI funds typically range from 0.50% to 1.5% and are disclosed in the prospectuses of the fund.

Clients sign an advisory contract with the IAR and account opening documentation with SEI. IAR provides HFG Form ADV and all prospectuses are available on-line at the respective fund companies. Clients may request to receive all prospectuses in hard copy via regular mail. Clients also have the option to have the IAR receive all proxy materials and other security information.

## *2. Asset Management Program – SEI Trust Company*

HFG may offer SEI's Asset Management Program ("AMP") to its clients. The Program is designed as follows:

- 1) Determine the investor's risk profile and investment objectives. Hurley Financial Group, Inc. determines the investor's investment objectives, investment time horizon, and risk profile by means of an interview process and/or the completion of a questionnaire.
- 2) Set a relevant asset allocation policy for the investor. The investor may choose one of many mutual fund asset allocation models. If the investor so chooses, automatic re-balancing to model allocation and recommended model allocation changes will be available.
- 3) Diversify among asset classes and styles. The investment managers of the underlying mutual funds are selected by SEI Investments Management Corporation. SEI utilizes institutional investment management firms. The managers are monitored by SEI to ensure that their investment styles and performance remain consistent with the objectives of the mutual funds.
- 4) Rebalance the investor's portfolio. Re-balancing maintains the proper allocation to each asset class in the model. Re-balancing occurs automatically if the underlying mutual funds deviate from the prescribed quarterly allocation by greater than a 2% variance. For the tax-managed models, the variance is 3%. Re-balancing occurs quarterly with no transaction fees.
- 5) Report results. SEI Trust Company (a subsidiary of SEI Investments Company) acts as the transfer agent and custodian for the investor's account. SEI Trust Company provides reporting services including consolidated monthly statements, quarterly performance reports, and year-end tax reports.

Ongoing Advisory fees for AMP are calculated as a percentage of assets under management. Clients may be charged a maximum of 2.00% annually. The actual fee schedule is set forth in the Client Service Agreement which is signed by the client prior to or concurrent with their engagement into the program.

FEES - Ongoing fees for the Investment Management Service are calculated as a percentage of assets under management. These fee schedules are for assets held under the SEI Trust platform. Clients may be charged a maximum of up to 2.00% annually. The current fee schedule is as follows:

Our current HFG AMP Fee Schedule is listed in the table below.

HFG's current AMP Fee Schedule sponsored by SEI Trust Company:

Portfolio Value	Annual Fee Schedule
\$0 - \$1 M	1.00%
\$1 M - \$5 M	0.80%
\$5 M and over	0.60%

The charges to the account are on an arrears basis and are remitted quarterly net of any applicable account and performance reporting charges not charged to the customer. The Advisory fee is debited from the client's account by SEI Trust Company on behalf of HFG. SEI does not participate in the Advisory fee. This fee is forwarded directly to HFG. HFG then forwards a fee to Geneos Wealth Management, Inc. ("GWM"), for the functions GWM is required to carry out by FINRA, Financial Industry Regulatory Authority.

Upon written notification, the agreement may be terminated by either HFG or the investor. Prorated fees will be charged based on market value on the date the termination notice is received.

The client will receive monthly statements from the SEI Trust Company indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, the client will receive a tax report for the account.

AMP is a program whereby an independent investment advisor can make the SEI family of mutual funds available to its clients. SEI is not an investment advisor in this instance and does not have the investment advisor relationship with the client. Although, SEI re-balances the client's portfolio, to maintain the proper asset allocation to each asset class in the percentages chosen by the client, SEI does not exercise discretion when providing re-balancing services. SEI re-balances pursuant to the client's written instruction.

SEI charges an expense ratio to the funds; all expense ratios are disclosed in the prospectuses of the funds. SEI's typical range of expense ratios is 0.10% to 2.00%. SEI Trust Company, a subsidiary of SEI Investments Co. acts as the transfer agent and custodian for the client's account.

Clients sign an advisory contract with the IAR and account opening documentation with SEI. The IAR provides HFG's Form ADV and SEI provides a prospectus for the mutual funds utilized in the fee-based account. As custodian, SEI Trust Company provides all reporting functions for the account, and supplies the client with at least a quarterly statement. SEI does not act in the capacity of an investment advisor to the client and therefore does not provide a solicitors agreement, nor their Form ADV Part 2. The fee schedule that the IAR charges for their advisory services in connection with the SEI Asset Management Program is included in Schedule F and in the SEI Advisory Agreement for client disclosure.

If a client opens a Tax Controlled Program Investment Account, SEI will remain as the Investment Advisor on the account, and the IAR will act in a solicitor capacity and have the client sign the appropriate documentation.

### *3. Managed Accounts Program – SEI Trust Company*

HFG may offer the Managed Accounts Program ("MAP") sponsored by SEI Investments Management Corporation ("SIMC"). To participate in the Program, the IAR, SIMC and each investor execute a tri-party agreement (hereinafter, a "Managed Account Agreement") providing for the management of certain investor assets in accordance with the terms thereof. Pursuant to a Managed Account Agreement, the investor appoints the IAR as its investment advisor to assist the investor in selecting an asset allocation strategy, which would include a percentage of investor assets allocated to designated portfolios of separate securities (each, a "Separate Account Portfolio") and may include a percentage of assets allocated to a portfolio of mutual funds sponsored by SIMC or an affiliate thereof. The investor appoints SIMC to manage the assets in each Separate Account Portfolio in accordance with a strategy selected by the investor together with the IAR. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers. The program seeks to provide a globally diversified portfolio in order to meet an investor's long-term goals.

The maximum fees payable to HFG is 2.2%. The complete schedule of Program fees is set forth in the Client Service Agreement which is provided by the IAR to its clients prior to or concurrent with their engagement in the Program. The fees payable to SIMC are outlined in detail in SIMC Form ADV Part 2.

### *4. Vision Investment Program - Geneos Wealth Management, Inc.*

HFG may offer its clients the Vision Investment Program/VIP Ultra-RP Program ("VIP") sponsored by Geneos Wealth Management, Inc.

VIP provides comprehensive investment management of client assets through the provision of web based asset allocation tools, as well as execution, clearing and custodial services.

VIP may be offered by the IAR on a 1) Discretionary Trading Basis or 2) Non-Discretionary Rebalancing Limited to Maintenance of the Initial Agreed upon Asset Allocation.

In an account with Discretionary Trading, the IAR may purchase or sell load waived mutual funds, no-load mutual funds and other equity and debt securities for accounts not included in the initial asset allocation, without obtaining specific client approval for each transaction.

In an account with Non-Discretionary Rebalancing Limited to Maintenance of the Initial Agreed upon Asset Allocation, the IAR will only purchase or sell securities which have been approved by clients in advance. The IAR will initiate an initial asset allocation with the client's prior review and approval. However, the IAR may rebalance the account to maintain the initial agreed upon asset allocation, without prior client consent.

The Program is sponsored by Geneos Wealth Management, Inc. ("GWM"). A Client Service Agreement and additional account paperwork will be completed and signed by the IAR's clients prior to or concurrent with their engagement in the Program.

The Program is offered as a Wrap Account which bundles advisory and administrative fees, as well as transaction charges into one asset-based fee. Alternatively, the Transaction Charges can be unbundled from the advisory and administrative fees. Transaction charges are disclosed in the pricing forms from Pershing as provided by the IAR.

Clients may be charged a maximum of up to 2.00% annually. However, if the client chooses the unbundled option they are also billed separate Transaction Charges. As a participant in the VIP program, clients will have a choice to pay the annualized fee quarterly in advance, with no fees being collected more than six months in advance, or the annualized fee may be paid quarterly in arrears.

#### *Third Party Advisory Services – Various Providers*

HFG has entered into agreements with various third-party investment advisors. Under these agreements, HFG offers clients various types of programs sponsored by these advisors. All third-party investment advisors to whom HFG will refer clients will be licensed as investment advisors by the state of Oregon or registered investment advisors with the Securities and Exchange Commission (SEC).

After gathering information about a client's financial situation and investment objectives, a representative of Hurley Financial Group, Inc. will assist the client in selecting a particular third-party program. Hurley Financial Group, Inc. receives compensation pursuant to its agreements with these third-party advisors for introducing clients to these third-party advisors and for certain ongoing services provided to clients. This compensation, which is disclosed to the client in a separate disclosure document provided by the third-party manager, is typically equal to a percentage of the investment advisory fee charged by that third-party advisor or a fixed fee.



Because Hurley Financial Group, Inc. and its representatives receive compensation from the third-party advisors for referring clients and because such compensation may differ depending upon the individual agreement with each third-party advisor, Hurley Financial Group, Inc. and/or its representative may have an incentive to recommend one of these third-party advisors over other third-party advisors with which it has less favorable compensation arrangements or other advisory programs offered by third-party advisors with which it has no compensation arrangements.

Since the fee for the investment advisory services of Hurley Financial Group, Inc. is paid by the independent third-party advisor, the fee paid to Hurley Financial Group, Inc. is not negotiable. Fees paid by clients to independent third-party advisors are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure provided by each independent third-party advisor to whom Hurley Financial Group, Inc. refers its clients, and may or may not be negotiable, as disclosed in the disclosure documents of the third-party advisor.

Certain programs may charge a "wrap fee." Selection of a "wrap fee" program may result in the payment of fees by clients in excess of the combined total of separate advisory fees and brokerage commissions paid on a transactional basis. If a "wrap fee" program is not selected, the client may incur additional fees, in addition to the fees charged by third-party investment advisors, clients may be charged transaction charges by securities broker-dealers. GWM, a registered securities broker-dealer with whom certain associated persons of Hurley Financial Group, Inc. are associated, may receive transaction charges, a portion of which may be paid to the associated persons of Hurley Financial Group, Inc. in their capacities as associated persons of GWM.

Clients who are referred to third-party investment advisors will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant third-party advisor's Form ADV Part 2 or equivalent disclosure document at the same time as the Form ADV Part 2 or equivalent disclosure document of Hurley Financial Group, Inc. In addition, if the investment program recommended to a client is a wrap fee program, the client will also receive the Schedule H or equivalent wrap fee brochure provided by the sponsor of the program. Hurley Financial Group, Inc. will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees to Hurley Financial Group, Inc. and its IARs as required by Securities and Exchange Commission Rule 206(4).3.

Clients will sign an advisory agreement with Hurley Financial Group, Inc. and will also sign an advisory agreement directly with the third-party advisor of the program selected. The advisory relationship may be terminated by the client, Hurley Financial Group, Inc. or the third-party advisor in accordance with the provisions of those agreements. The client will typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement. Additionally, a client may terminate its advisory relationship with Hurley Financial Group, Inc. without being assessed any penalty within five (5) business days of its signing an advisory agreement.

The representative of Hurley Financial Group, Inc. will review client's accounts at least quarterly, and will make written inquiry regarding changes in the client's financial situation and needs or investment objectives. In addition, the representative will meet with the client at least annually to review any changes in the client's financial situation, needs or investment objectives, as well as the performance of the programs managed by the third-party investment advisor. A representative will be available for the client's consultation during normal business hours.

With respect to its Advisory Referral Program, Hurley Financial Group, Inc. will not offer advice on any specific securities or other investments, but will refer clients to third-party investment advisors, which will provide advice to clients in accordance with the relevant program provided by the third-party advisor. Hurley Financial Group, Inc. assists clients in selecting third-party investment advisors whose investment programs and strategies have been reviewed by Hurley Financial Group, Inc. and determined appropriate for Hurley Financial Group's clients based on their individual circumstances and investment goals. For the Advisory Referral Program, Hurley Financial Group's recommendations for third-party advisors and programs will be based on research reports and analysis of performance provided by third-party advisors and publicly available research and reports regarding investment strategies and programs generally offered by a variety of third-party investment advisors. Representatives of Hurley Financial Group, Inc. may utilize computer software programs provided by such third-party advisors in providing this advice to clients.

*HFG may provide investment advice through financial planning consultations (Less than 1% of total Advisory billing).*

Hurley Financial Group, Inc. may receive fees for developing a detailed written financial plan or for providing consulting services for a client. Applicant will either be charged an hourly fee of between \$150.00/hour and \$250.00/hour or a flat fee of between \$250.00 and \$1,500.00. This specific fee will be communicated to the client and agreed to by the client prior to the commencement of work, through a signed Financial Planning Agreement. No financial planning fees are prepaid. Fees are due at the completion of the project or billed monthly for consulting services.

Client may receive a credit of up to \$250.00 on a written financial plan. This credit is calculated based on initial transfer value of assets under management with the IAR. Up to 100%, maximum of \$250.00, will be credited based on the annual fee percentage of the combined account balances at the time of transfer. New deposits made at time of account establishment are also used to calculate this credit.

*HFG may provide advice to client on matters not involving securities (Less than 1% of total Advisory billing).*

Hurley Financial Group, Inc. may provide advice to its clients on matters not involving securities, such as tax reduction strategies, mortgage recommendations, estate planning strategies, and charitable giving strategies. The IAR may provide this advice for no addition fee above the investment supervisory service fees or the IAR may charge the client an hourly fee of between \$150.00/hour and \$250.00/hour. This specific fee will be communicated to the client and agreed to by the client prior to the commencement of work, through a signed Financial Planning Agreement. No consulting fees are prepaid. Fees are due at the completion of the project or billed monthly for consulting services.

*HFG may provide asset allocation services for external Pension, Profit Sharing, 401k, 403b and other Retirement Plan Assets (Less than 1% of total Advisory billing).*

As part of a financial planning analysis and engagement, the IAR will assist Clients in determining their investment goals and objectives; risk tolerance and retirement plan time horizons. The IAR will then recommend an initial asset allocation. However, because such assets are custodied outside of the control of GWM and the IAR, the Clients will be responsible for accepting and implementing the IAR's recommendations. Further, the IAR will neither provide continuous management and supervision or portfolio monitoring services for such accounts or receive ongoing, asset-based compensation. However, the IAR may

offer its clients the service to conduct a review of such accounts on a periodic or annual basis for an hourly or fixed-fee.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

Hurley Financial Group, Inc does not charge or pay performance based fees.

#### **Item 7. Types of Clients**

Hurley Financial Group, Inc. clients are primarily high net worth individuals and families at or nearing retirement. HFG has a defined household Investment Asset Minimum (IAM) of \$500,000. IAR may have lower minimums and the minimum household account size may be waived at the IAR's discretion. If a prospective client does not meet the Investable Asset Minimum and wishes to become a client of Hurley Financial Group, Inc., IAR may charge a flat planning fee of \$500.00 per quarter in addition to any investment management service fees or product commissions, where applicable. This planning fee is reviewed at every annual client meeting and adjusted or moved as the client's assets approach and meet the IAM.

#### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

Hurley Financial Group, Inc. builds low-correlating global portfolios utilizing three main components; Core (US & International equities and bonds), Absolute Return Strategies (Tactical) and Non-Traded Assets (Real-Estate and Secured Notes). The Core portion provides opportunity for long-term capital appreciation by investing in large and small-sized companies into US, international and emerging markets. The Absolute Return portion of the portfolio contains several different active investment strategies designed for capital appreciation with a moderating effect on portfolio volatility. The Non-Traded assets in the portfolio provide complete diversification out of the stock market. This allocation may contain US real-estate investments in high quality commercial buildings, multi-family housing, raw land, and/or secured notes backed by various real-estate assets. This diversification provides the portfolio with an attractive current yield which maintains an opportunity for capital appreciation. The focus of our strategy is to provide long-term growth with lower market volatility.

Core – involves market risk and based on allocation to core can be more or less aggressive. Under our core philosophy, where appropriate, we utilize variable annuities with living benefits to protect from stock market losses. Where appropriate, death benefits may be used to protect assets from stock market losses for heirs. HFG continuously monitors the opinions of economists and analysts to determine the allocation of these assets.

Absolute Return Strategy – utilizes mathematical-based processes to adjust asset allocations between cash, bonds (both government and corporate), equities (including sector funds such as biotech, natural resources, real estate and technology, gold and commodities. The objective of this strategy is to participate in growth opportunities in up markets and, more importantly, to be defensive during down markets.

Real Assets – HFG utilizes non-traded real estate investment trusts (REITS) as well as private placement and limited partnership investments. These assets can be managed on a fee basis or the client can choose to waive asset management fees in lieu of commissions. HFG performs ongoing due diligence with investment providers and also utilizes the due diligence of GWM in assessing and monitoring these investment providers.

There is no guarantee that a low-correlating diversified portfolio will outperform a non-diversified portfolio in any given market environment. Investing involves risks including loss of principal. International and emerging markets may contain additional risks such as currency fluctuations and Political and economic instabilities. Non-traded assets may experience periods of illiquidity.

#### **Item 9. Disciplinary Information**

Hurley Financial Group, Inc. has no disciplinary events, which include theft, fraud, bribery, perjury, forgery, counterfeiting, extortion or violations of security laws.

#### **Item 10. Other Financial Industry Activities and Affiliations**

HFG IARs are registered principals or registered representatives of Geneos Wealth Management, Inc. In the event that a client freely chooses to implement the advice of the IAR, the broker/dealer would be Geneos Wealth Management, Inc. ("GWM"), a registered full service general securities broker-dealer with the Securities and Exchange Commission ("SEC"), a Registered Investment Advisor, a member of the Financial Industry Regulatory Authority. ("FINRA") and various other regulatory bodies.

HFG IAR's sell insurance products with a variety of carriers such as Allianz, American Insurance Group, Anchor National Life, Banner Life, First Colony Life, Jackson National Life, John Hancock, Lincoln Benefit Life, Nationwide Life and Northern Life.

HFG clients are under no obligation to implement any suggestions made in a written financial plan. If asked to implement the suggestions of the financial plan, applicant intends to implement such financial planning, in whole or in part through products offered by these companies. To the extent applicant does implement, IAR's will be acting as an agent for the broker/dealer and/or the insurance company. Although the IARs are registered principals and/or representatives of GWM, these advisory services provided herein are basically beyond the scope of affiliation with the broker/dealer and these services are independent from such affiliation with the broker/dealer. If insurance or securities products are sold, commissions would be received by the IAR. Clients have total freedom to execute securities and/or insurance transactions with any company of their choice. It is likely that the IAR, if asked to implement, will recommend or use only the financial products offered by the broker/dealer as stated above and that the financial plan could be limited by such products.

#### **Item 11. Codes of Ethics, Participation or Interest in Client Transactions and Personal Trading**

##### *Code of Ethics:*

HFG's Code of Ethics is based on the principle that all IARs and employees ("Access Persons") of HFG have a fiduciary duty to place the interest of our clients ahead of their own and the Adviser's. Access Persons must avoid activities, interest, and relationships that might interfere with making decisions in the best interests of the client.

A complete copy of Hurley Financial Group's Code of Ethics may be obtained upon request from the IAR or by writing to Hurley Financial Group, Inc., 111 SW 4th Street, Corvallis, OR 97333

##### *Participation or Interest in Client Transactions and Personal Trading:*

HFG IAR's do not recommend securities or investment products in which Hurley Financial Group, Inc. has a financial interest.

Any recommendation of a security in which either IARs may have a financial interest is purely coincidental and IAR's would fully disclose any such interest to clients at once.

In the unlikely event that the interests of the IAR's account would happen to correspond with an advisory client's interests, full disclosure would be made to the client at once.

Related persons of HFG may buy or sell the same securities as those recommended to clients for their personal accounts. They may have an interest or position in certain securities, which may also be recommended to clients. IARs will not put their interests before a client's interest. It is Hurley Financial Groups, Inc.'s policy that IARs provide investment opportunities to clients before themselves. IARs and/or related persons may not trade ahead of their clients or trade in such a way to obtain a better price for themselves than for their clients, thus preventing them from benefiting from transactions placed on behalf of advisory accounts.

It is further noted that HFG is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, HFG has adopted a firm wide policy statement outlining insider trading compliance for its employees and associated persons. This statement has been distributed to all employees and associated persons of HFG and has been signed and dated by each such person. A copy of HFG's firm wide policy is maintained in a master file. Further, HFG has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all employees and associated persons of HFG, and are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which HFG's employees may have non-public information, (4) requiring all of HFG's employees to conduct their trading through a specified broker or reporting all transactions promptly to HFG, and (5) monitoring the securities trading of HFG's employees and associated persons.

#### **Item 12. Brokerage Practices**

HFG's IARs are registered principals or registered representatives of Geneos Wealth Management, Inc. a registered full service general securities broker-dealer with the Securities and Exchange Commission ("SEC"), a Registered Investment Advisor, a member of the Financial Industry Regulatory Authority. ("FINRA") and various other regulatory bodies. Due to the nature of its business, IARs of Hurley Financial Group, Inc., do not have discretion to select the broker/dealers, therefore product, research and services of the broker/dealer are not a determinate of the clients fees.

However, transactions executed through GWM in its capacity as a broker/dealer, may be subject to transaction charges as disclosed in the pricing forms from Pershing as provided by the IAR.

Hurley Financial Group, Inc.'s investment advisory business does not include negotiating with broker/dealers or obtaining volume discounts, or necessarily getting best execution. Clearing Firms may aggregate transactions for a client with other clients to improve the quality of execution. Allocations of aggregated orders are made under procedures designed to treat all clients fairly.

Clients participating in the EAS or VIP program may pay either more or less than they might otherwise pay if purchasing the services separately. Advisory services offered through Hurley Financial Group, Inc. may be more or less than Advisory Services offered through other Investment Advisors.

In order to fulfill its obligation, GWM has established a list of custodian and brokerage firms which it has arranged to obtain the required cooperation, and which therefore may be utilized for custody of accounts directly advised either by registered representatives of GWM who are investment advisors or other investment advisor entities which are affiliated with registered representatives of GWM. In certain instances, GWM will collect, as paying agent for HFG the investment advisory fee remitted to Hurley Financial Group, Inc. by the account custodian, and GWM will retain a portion as a charge to HFG for the functions GWM is required to carry out by the FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay Hurley Financial Group, Inc. pursuant to the client's advisory agreement.

### **Item 13. Review of Accounts**

For advisory services, securities are reviewed on an ongoing basis by the adviser, and if any changes are needed, they will be made when appropriate. Triggering factors include but are not limited to, the state of the markets, price momentum, relative strength, group relative strength, volume, accumulation, distributions, earnings and earning potential. For investments in mutual funds, the funds are compared to their respective indices to see if they are meeting expectations on a basis of risk versus reward. If funds are not meeting their objective, they are placed on a watch list for possible replacement. For advisory accounts with discretion, the IAR will implement changes in the portfolios as needed. For accounts managed on a non-discretionary basis, the IAR will contact the client to make recommendations.

The only reviewer is the advisor and is the sole decision maker for all financial accounts. Client's account performance is reviewed on an ongoing basis by the IAR. Systematic reports are generated monthly and more often as needed based on market conditions. Client meetings are scheduled annually or more often based on client's individual needs. Accounts that do not meet HFG's household minimum of \$500K may not receive annual performance reports and meetings are scheduled on an as needed basis.

### **Item 14. Client Referral and Other Compensation**

HFG may use product offerings including but not limited to Reg. D Private Placements and Structure Products in advisory accounts. If these products are priced with an upfront and/or trailing concession which can not be discounted to the client at the time of trade, HFG will use these concessions to offset trading costs on an aggregate client basis. It is possible for HFG to have more concessions than total trading costs on an annual basis.

Advisors of HFG sell insurance and investment products and will receive commission income on the sale of such products. In our registered representative capacity we could receive 12b-1 fees as a result of placing clients with mutual funds. Full disclosure will be made prior to such a sale. HFG may receive commissions for referring clients to other specialty insurance agents.

Hurley Financial Group, Inc. may receive financial support from product sponsors for advertising and/or client appreciation events which may appear to be a conflict of interest. Hurley Financial Group, Inc. does not base its decisions on choosing an investment product on whether or not a product sponsor chooses to participate in these costs. (An example of this financial support is a mutual fund company paying for a seminar advertisement or helping to pay for a portion of the cost of a client appreciation event.)

### **Item 15. Custody**

Hurley Financial Group, Inc. does not have custody of client's funds. Client's funds are held at qualified custodians, such as bank, trust company or broker-dealer that maintains the assets. Clients will receive statements directly from the custodians.

### **Item 16. Investment Discretion**

For clients in the EAS or VIP program, IARs will be granted written discretionary authority via the client services agreement. IARs will have authority to determine the securities to be purchased or sold and the amount of securities that are purchased or sold.

Clients have the right to restrict this discretionary authority by notifying the IAR and/or Hurley Financial Group, Inc. in writing of any and all limitations.

### **Item 17. Voting Client Securities**

HFG can accept authority to vote securities from clients in the EAS program. HFG votes proxies in the best economic interests of Clients. HFG votes proxies in accordance with HFG's Proxy Voting Guidelines (the "Guidelines"). The Guidelines set forth the manner in which HFG will vote on matters that may come up for shareholder vote. HFG will review each matter on a case-by-case basis, and vote the proxies in accordance with the Guidelines. For example, the Guidelines provide that HFG will vote in favor of proposals to require shareholder ratification of any poison pill, shareholder proposals that request companies to adopt confidential voting, and for management proposals to do so, and shareholder social, workforce, and environmental proposals that create good corporate citizens while enhancing long-term shareholder value, and will vote against director nominees (or a Board) if it believes that a nominee (or the Board) has not served the economic long-term interests of shareholders.

HFG may obtain the Client's consent to voting in the manner different from the stated Guidelines (or otherwise obtains instructions from the client as to how to vote on the proposal).

For each proxy, HFG maintains all related records as required by applicable law. A Client may obtain a copy of HFG's Policy and Procedures, or a copy of the specific voting record for their account, by calling HFG at 1-541-757-2331, or writing to HFG at 111 SW 4th Street, Corvallis, OR 97333, or by emailing to [dorannah@hurleyfinancial.com](mailto:dorannah@hurleyfinancial.com).

### **Item 18. Financial Information**

HFG does not require pre-payment of advisory fees. All advisory fees are billed in arrears on a prorated basis, therefore a financial statement is not required.

## **ADV, PART 2B**

### **Item 1. Cover Page (See front cover of ADV Part 2)**

### **Item 2. Education Background and Business Experience**

Hurley Financial Group, Inc. IAR's will be required to have passed the securities examinations required for the securities products for which investment advice will be offered. IAR's of HFG will hold no less than a Series 7 FINRA license. In addition, IAR's have obtained a professional designation such as CFP, ChFC, CFA, FLMI, or Master's degree from an accredited university, or have additional education in the financial services area.

Dorann Alderin Hurley, President & Investment Advisor Representative

Year of Birth: 1962

Education after High School: Bismarck State College, Bismarck, ND  
Fellow Life Management Institute (FLMI)  
Securities License: 6, 7, 24, 26, 63, & 65  
Life, Health & Variable Annuity Licenses

Business Background (5 years prior to);

Hurley Financial Group, Inc., President & IAR	4/07 - Present
Geneos Wealth Management, Inc., Registered Principal	3/07 - Present
Hurley Financial Group, Principal & IAR	7/92 - 4/07
AIG Financial Advisors, Inc., Registered Principal	10/05 - 3/07
SunAmerica Securities, Inc., Registered Principal	11/93 - 10/05
Security Plus Insurance Services, President	7/88 - 7/92

Megan Elizabeth Schneider, Vice-President & Investment Advisor Representative

Year of Birth: 1966

Education after High School: Oregon State University, Corvallis OR  
Arizona State University, Tempe AZ - M.S.  
Securities License: 7, 63 & 65  
Life, Health & Variable Annuity Licenses

Business Background (5 years prior to);

Hurley Financial Group, Inc., Vice-President & IAR	4/07 - Present
Geneos Wealth Management, Inc., Registered Representative	3/07 - Present
Hurley Financial Group, Director of Operations & IAR	9/01 - 4/07
AIG Financial Advisors, Inc., Registered Representative	10/05 - 3/07
SunAmerica Securities, Inc., Registered Representative	9/01 - 10/05
Hewlett Packard, Manufacturing Development Engineer	10/92 - 8/96

Keith Patrick Marshall, CFP, Registered Associate

Year of Birth: 1986

Education after High School: George Fox University, Newberg OR  
Texas Tech University, Lubbock TX - M.S.  
Certified Financial Planner, CFP  
Securities License: 7 & 66

Business Background (5 years prior to);

Hurley Financial Group, Inc., Registered Associate & Assistant	5/14 - Present
Geneos Wealth Management, Inc., Registered Associate & Assistant	5/14 - Present
Fiserv, Analyst	4/13 - 4/14
Northwestern Mutual, Financial Representative	1/13 - 4/13
Fastenal Company, Sales Support	6/10 - 5/12



FLMI – Fellow Life Management Institute designation is earned by passing 10 national examinations on life and health insurance subjects including insurance, finance, marketing, law, information systems, accounting, management, and employee benefits. Examinations and course materials are prepared and administered by the Life Office Management Association.

CFP, Certified Financial Planner - The Certified Financial Planner (CFP) designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements.

Series 6 – The Series 6 license entitles the holder to register as a limited representative and sell mutual funds, variable annuities and insurance premiums. The Series 6 exam is administered by the Financial Industry Regulatory Authority (FINRA) and covers topics on mutual funds, variable annuities, securities and tax regulations, retirement plans and insurance products.

Series 7 - The Series 7 license is the most comprehensive of several securities licenses that permit an agent to communicate with retail investors. The exam is a six-hour, 260 question test (250 of which count towards the final score) that is owned, maintained and administered by the Financial Industry Regulatory Authority (FINRA). The exam covers a broad range of investments types including stocks, bonds, options, limited partnerships, and investment company products (e.g., open- and closed-end funds).

Series 24 – The Series 24 license entitles the holder to supervise and manage branch activities. Before taking the Series 24 exam, you must have your Series 7 license. The Series 24 exam is administered by the Financial Industry Regulatory Authority (FINRA) and covers topics such as the corporate securities, real estate investment trusts, trading, customer accounts, regulatory guidelines and more.

Series 26 – The Series 26 license entitles the holder to register as a limited principal who supervises and manages sales activities for investment companies and annuities. The exam is administered by the Financial Industry Regulatory Authority (FINRA) and covers five main topics related to the supervisory role of a Limited Principal; hiring and qualification, training of representatives, supervision, sales practices, business processing and recordkeeping rules.

Series 63 – The Series license entitles the holder to solicit orders for any type of security in a particular state. This license is required in addition to the Series 7 or Series 6. The Series 63 exam mainly covers state laws and regulations.

Series 65 – The Series 65 license is required by most U.S. states for individuals that act as an investment advisor. The Series 65 exam covers laws, regulations, ethics, and knowledge on specific investment products.

Series 66 – The Series 66 license is required by most U.S. states for individuals that act as an investment advisor. The examination is designed to qualify candidates as both securities agents and investment adviser representatives.

### **Item 3. Disciplinary Information**

Hurley Financial Group, Inc.'s IARs have no disciplinary events.

#### **Item 4. Other Business Activities**

Hurley Financial Group, Inc.'s IARs provides a variety of comprehensive financial planning and asset management services to their client base. In addition, IARs sell insurance and investment products. Approximately eighty (80%) percent of IAR's professional time is attributable to the provision of investment supervisory services in that IARs provide discretionary management services to certain clients. Approximately ten (10%) percent of IAR's professional effort is attributable to providing advice about securities related products and approximately ten (10%) percent is attributable to the provision of advice about non-securities related matters.

#### **Item 5. Additional Compensation**

HFG does not pay its IARs any incentive pay or bonuses to solicit specific products. HFG may compensate IARs for reaching certain production thresholds. This additional compensation is paid from HFG's revenue not through additional fees to the client.

Each program's compensation is fully disclosed to client at time of sale and there are no additional incentives or bonus for sale of various programs.

#### **Item 6. Supervision**

Hurley Financial Group, Inc.'s Chief Compliance Officer ("CCO") is Dorann A. Hurley. Dorann is responsible for supervising all IARs. Dorann can be contacted by calling HFG at 1-541-757-2331, writing to HFG at 111 SW 4th Street, Corvallis, OR 97333, or e-mailing to: [dorannah@hurleyfinancial.com](mailto:dorannah@hurleyfinancial.com).

All e-mail and verbal communications to clients are monitored by the CCO on an ongoing basis. Client profiles, investment risk tolerance, suitability and account applications are reviewed and signed by the CCO prior to processing. All IARs of HFG must review and sign HFG's Written Compliance and Supervisory Guidelines annually.

Supervision of Dorann A. Hurley, CCO, is monitored by the Compliance Officer of GWM. GWM can be contacted by calling (303) 798-3626, press "0" and asked to be directed to the current Compliance Officer for Dorann A. Hurley. You can also send a written request to:

Attention: Dorann Hurley's Compliance Officer  
Geneos Wealth Management, Inc.  
9055 East Mineral Circle Ste 200  
Centennial, CO 80112