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 12 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
 13 OF THE STATE OF CALIFORNIA

<p>14 In the Matter of:</p> <p>15 THE COMMISSIONER OF FINANCIAL 16 PROTECTION AND INNOVATION,</p> <p>17 Complainant,</p> <p>18 v.</p> <p>19 TGG MANAGEMENT COMPANY INC.,</p> <p>20 Respondent.</p> <p>21</p>	<p>CRD NO.: 145451</p> <p>STATEMENT IN SUPPORT OF ORDER TO DISCONTINUE VIOLATIONS PURSUANT TO CORPORATIONS CODE SECTION 25249</p>
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 23 The Commissioner of Financial Protection and Innovation (Commissioner) alleges and
 24 charges as follows:

25 1. TGG MANAGEMENT COMPANY INC. (THE GARRETT GROUP) is a California
 26 formed Corporation, with its principal office located at 10188 TELESIS COURT SUITE 130 SAN
 27 DIEGO, CA 92121.

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1 2. THE GARRETT GROUP holds a valid investment adviser certificate issued by the
2 Commissioner pursuant to Corporations Code section 25230. THE GARRETT GROUP is assigned
3 Central Registration Depository (CRD) Number of 145451.

4 3. GARRETT, MATTHEW, AARON (CRD 2903122) and RUFF, JOSEPH, ANDREW
5 (CRD 5084886) are the 100% owners and investment adviser representative(s) of THE GARRETT
6 GROUP.

7 4. On June 30, 2022, the Commissioner instructed THE GARRETT GROUP to file an
8 annual amendment to its Form ADV in Investment Adviser Registration Depository (IARD) no later
9 than 30 days after June 30, 2022, the date of the letter.

10 5. According to the IARD, investment adviser has not filed an annual updating
11 amendment to its Form ADV for 2022. Pursuant to California Code of Regulations, title 10, section
12 260.241.4, subdivision (e), a licensed investment adviser shall file an annual updating amendment, in
13 accordance with the instructions in Form ADV, with IARD in accordance with its procedures for
14 transmission to the Commissioner within ninety (90) days of the end of the investment adviser's
15 fiscal year.

16 6. To date, the THE GARRETT GROUP did not file an update to its Form ADV on
17 IARD

18 7. Corporations Code section 25241 provides, in relevant part, that:

19 (a) Every broker-dealer or investment adviser licensed under Section
20 25230 shall make and keep accounts, correspondence, memorandums,
21 papers, books, and other records and shall file financial and other
reports as the commissioner by rule requires . . .

22 8. Corporations Code section 25242, subdivision (c)(2), states in relevant part, that:

23 (c) The commissioner may summarily suspend or revoke the
24 certificate of a broker-dealer or investment adviser if he or she . . . (2)
25 fails to file any report required under Section 25241 within 10 days
after notice by the commissioner that the report is due.

26 9. Cal. Code of Regs., tit. 10, section 260.241.4, provides:

27 (a) Each licensed broker-dealer and each licensed investment adviser
28 shall, upon any change in the information contained in its application
for a certificate (other than financial information contained therein)

1 promptly file an amendment to such application setting forth the
2 changed information.

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4 ...

5 (d) A licensed investment adviser shall file changed information
6 contained in its Form ADV with the Investment Adviser Registration
7 Depository (“IARD”) in accordance with its procedures for
8 transmission to the Commissioner.

9 (e) A licensed investment adviser shall file an annual updating
10 amendment, in accordance with the instruction in Form ADV, with
11 IARD in accordance with its procedures for transmission to the
12 Commissioner within ninety (90) days of the end of the investment
13 adviser’s fiscal year.

14 (f) A licensed investment adviser shall notify the Commissioner of the
15 employment or engagement of any new investment adviser
16 representative, as defined in Section 25009.5(a) of the Code and the
17 termination thereof in accordance with Section 260.236.1.

18 10. Corporations Code section 25249 authorizes the Commissioner to issue an order
19 directing any investment adviser to discontinue any violation of the Financial Code, Corporations
20 Code, or any rules promulgated thereunder. Specifically, Corporations Code section 25249 provides,
21 in pertinent part, that:

22 If, after examination or investigation, the commissioner has reasonable
23 grounds to believe that any broker-dealer or investment adviser has
24 violated any law or rule binding upon it, the commissioner shall, by
25 written order addressed to the broker-dealer investment adviser, direct
26 the discontinuance of the violation. The order shall be effective
27 immediately, but shall not become final except in accordance with the
28 provisions of Section 25251.

11. Corporations Code section 25251 provides, in relevant part, that:

24 (a) No order issued pursuant to Section 25249 or 25250 may become
25 final except after notice to the affected broker-dealer or investment
26 adviser of the commissioner’s intention to make the order final and of
27 the reasons for the finding. The commissioner shall also notify the
28 broker-dealer or investment adviser that upon receiving a request the
matter shall be set for hearing to commence within 15 business days after
receipt of the request. The broker-dealer or investment adviser may
consent to have the hearing commence at a later date. If no hearing is
requested within 30 days after the mailing or service of the required

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13. Therefore, pursuant to Corporations Code section 25249, the Commissioner has issued an order directing THE GARRETT GROUP to discontinue violating Corporations Code section 25241, subdivision (a), as well as California Code of Regulations, title 10, section 260.241.4, subdivision (e).

WHEREFORE, good cause showing, and pursuant to Corporations Code section 25251, the Commissioner the Commissioner finds this action is appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policies and procedures of the Corporate Securities Law of 1968 (Corp. Code, § 25000 et seq.).

Dated: September 8, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By _____
BALBIRO KAZLA
Deputy Commissioner
Broker-Dealer Investment Adviser Division