

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: Edelman Financial Services LLC.) FILENO. 0500434
_____)
_____)

NOTICE OF HEARING

TO THE RESPONDENT: Edelman Financial Services LLC.
(CRD#: 113299)
4000 Legato Road 9th Floor
Fairfax, Virginia 22033-4055

You are hereby notified that pursuant to Section 111 of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 16th day of August, 2006 at the hour of 10:00 a.m. or as soon as possible thereafter, before George Berbas, Esq. or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E(3) of the Act which would prohibit Edelman Financial Services LLC. (the "Respondent") from acting as an investment advisor in the State of Illinois and/or granting such other relief as may be authorized under the Act, including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) days from the entry of the Order.

The grounds for such proposed action are as follows:

1. The Respondent is a limited liability company, and during all relevant times, has offered investment advisory services for compensation to residents of the State of Illinois.
2. The Respondent, beginning on or about April 25, 2002 to the present, was and is acting in the capacity of a Federal Covered Investment Advisor (FCIA) to residents of the State of Illinois.
3. The Respondent failed to file any of the required annual "Notice Filings" with the Secretary of State until August 23, 2005.

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4. That Section 8.C(5) of the Act provides, inter alia, a federal covered investment adviser shall file with the Secretary of State, prior to acting as a federal covered investment adviser in this State, such documents as have been filed with the Securities and Exchange Commission as the Secretary of State by rule or order may prescribe. The notification of a federal covered investment adviser shall be accompanied by a notification filing fee established pursuant to Section 11 a of this Act, which shall not be returnable in any event. Every person acting as a federal covered investment adviser in this State shall file a notification filing and pay an annual notification filing fee established pursuant to Section 11 a of this Act, which is not returnable in any event. The failure to file any such notification shall constitute a violation of subsection D of Section 12 of this Act.
5. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
6. That by virtue of the foregoing, the Respondent has committed a violation of section 12.D of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 19th day of June 2006.


JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
George Berbas
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