

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

IN THE MATTER OF: OCTAGON FINANCIAL)
SERVICES, INC.)
_____)

FILE NO. 0400317

NOTICE OF HEARING

TO THE RESPONDENT: Octagon Financial Services, Inc.
(B/D#: 107335)
1751 Pinnacle Drive
Suite 1500
McLean, Virginia 22102

You are hereby notified that pursuant to Section 11.F 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 15th day of December, 2004 at the hour of 10:00 a.m. or as soon as possible thereafter, before James G. Athas, 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 which would prohibit Octagon Financial Services, Inc. (the "Respondent") from engaging in the business of 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) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That the Respondent is a corporation, which engages in the business of providing investment advisory services to the general public.
2. That since July 31, 2003 the Respondent provided investment advisory services for a fee to seven (7) Illinois residents.

Notice of Hearing

-2-

3. That Section 8.A of the Act provides, in pertinent part except as otherwise provided, every investment advisor shall be registered as such with the Secretary of State.
4. That the activity described in paragraph two (2) above constitutes the activity of an investment advisor as defined in Section 2.11 of the Act.
5. That during all times relevant, the Respondent was not registered with the Secretary of State as an investment advisor pursuant to Section 8 of the Act.
6. That Section 12.C of the Act provides, *inter alia*, that it is a violation of the provisions of the Act for any person to act as an investment advisor, unless registered as such where such registration is required under the provisions of Act.
7. That by virtue of the foregoing, the Respondent has committed a violation of Section 12.C 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 with 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 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 the Secretary of State, Securities Department, is included with this Notice.

Dated: This 26th day of October 2004.



JESSE WHITE
Secretary of State
State of Illinois

Notice of Hearing

-3-

Attorney for the Secretary of State:
Daniel A. Tunick
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-4433

Hearing Officer:
James G. Athas, Esq.
180 W. Washington, Suite 710
Chicago, Illinois 60602
Telephone: (312) 357-2870