

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_) )  
IN THE MATTER OF: EDELMAN FINANCIAL SERVICES LLC.) FILE NO. 0500434  
\_\_\_\_\_) )

**CONSENT ORDER OF FINE**

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

C/o Elizabeth M. Knoblock  
Attorney At Law  
Mayer Brown Rowe & Maw LLP  
1909 K Street N.W.  
Washington, DC 20006-1101

WHEREAS, Respondent on the 14<sup>th</sup> day of July 2006 executed a certain Stipulation to Enter Consent Order of Fine (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Amended Notice of Hearing of the Secretary of State, Securities Department dated July 7, 2006 in this proceeding (the "Amended Notice") and Respondent has consented to the entry of this Consent Order of Fine ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Amended Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. The Respondent is a limited liability company which engages in the business of providing investment advisory services for compensation to the general public.

2. Beginning on or about October 27, 2003 to August 11, 2005, the Respondent provided investment advisory services for compensation to seven (7) Illinois residents.
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 the Act.

WHEREAS, by mean of the stipulation Respondent has acknowledged and agreed, without admitting or denying the truth thereof, that pursuant to Section 11.E(4), in addition to any other sanction or remedy, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

- (1) By virtue of the foregoing, the Respondent has committed a violation of Section 12.C of the Act; and
- (2) By virtue of the foregoing, the Respondent is subject to a FINE pursuant to Section 12.C and Section 11.E(4) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they shall be FINED Four Thousand Two Hundred dollars (\$4,200.00), to be paid by certified or cashier's check, made payable to the Secretary of State, Illinois audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they shall be levied the costs of the investigation In this matter in the amount of One Thousand Five Hundred dollars (\$1,500.00), has been paid by

Consent Order of Fine

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certified or cashier's check, made payable to the Office of the Secretary of State, Illinois Audit and Enforcement Fund.

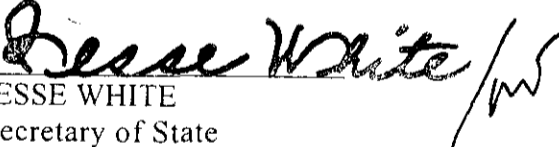
WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they have submitted with the Stipulation a certified or cashier's check in the amount of Five Thousand Seven Hundred dollars (\$5,700.00). Said sum is allocated as follows: Four Thousand Two Hundred dollars (\$4,200.00) as FINE for violations of the Act; and One Thousand Five Hundred dollars (\$1,500.00) to cover the costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Illinois Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDER THAT:

1. Respondent is FINED in the amount of Four Thousand Two Hundred Dollars (\$4,200.00), payable to the Office of the Secretary of State, Illinois Audit and Enforcement Fund, and on July 14<sup>th</sup>, 2006 has submitted Four Thousand Two Hundred dollars (\$4,200.00) in payment thereof.
2. Respondent is levied costs of investigation in this matter in the amount of One Thousand Five Hundred dollars (\$1,500.00), payable to the Office of the Secretary of State, Illinois Audit and Enforcement Fund, and on July 14<sup>th</sup>, 2006 has submitted One Thousand Five Hundred dollars (\$1,500.00) in payment thereof.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 17<sup>th</sup> day of July 2006.

  
JESSE WHITE  
Secretary of State  
State of Illinois