

Name of Investment Adviser: EDELMAN FINANCIAL ADVISORS LLC				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone Number
4000 LEGATO ROAD 9TH FLOOR	FAIRFAX	VA	22033	888 752-6742

This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: EDELMAN FINANCIAL ADVISORS LLC	SEC File Number: 801- 68266	Date: 10-18-07
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**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |   |         |
|---|---------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services  | 100 %   |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services   | _____ % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above   | _____ % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription  | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above  | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities  | _____ % |
| <input type="checkbox"/> (8) Provides a timing service  | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above  | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☐ ☒

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> A. Individuals           | <input type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies             | <input type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input type="checkbox"/> D. Pension and profit sharing plans |   |

**3. Types of Investments** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input type="radio"/> A. Equity securities                   | <input type="radio"/> H. United States governmental securities   |
| <input type="radio"/> (1) exchange-listed securities         |  |
| <input type="radio"/> (2) securities traded over-the-counter | <input type="radio"/> I. Options contracts on:                   |
| <input type="radio"/> (3) foreign issuers                    | <input type="radio"/> (1) securities                             |
|  | <input type="radio"/> (2) commodities                            |
| <input type="radio"/> B. Warrants                            |  |
| <input type="radio"/> C. Corporate debt securities           | <input type="radio"/> J. Futures contracts on:                   |
| (other than commercial paper)                                | <input type="radio"/> (1) tangibles                              |
| <input type="radio"/> D. Commercial paper                    | <input type="radio"/> (2) intangibles                            |
| <input type="radio"/> E. Certificates of deposit             |  |
| <input type="radio"/> F. Municipal securities                | <input type="radio"/> K. Interests in partnerships investing in: |
|  | <input type="radio"/> (1) real estate                            |
| <input type="radio"/> G. Investment company securities:      | <input type="radio"/> (2) oil and gas interests                  |
| <input type="radio"/> (1) variable life insurance            | <input type="radio"/> (3) other (explain on Schedule F)          |
| <input type="radio"/> (2) variable annuities                 |  |
| <input type="radio"/> (3) mutual fund shares                 | <input type="radio"/> L. Other (explain on Schedule F)           |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |                                       |   |
|---------------------------------------|---|
| <input type="radio"/> (1) Charting    | <input type="radio"/> (4) Cyclical                      |
| <input type="radio"/> (2) Fundamental | <input type="radio"/> (5) Other (explain on Schedule F) |
| <input type="radio"/> (3) Technical   |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) Financial newspapers and magazines    | <input type="radio"/> (5) Timing services   |
| <input type="radio"/> (2) Inspections of corporate activities   | <input type="radio"/> (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| <input type="radio"/> (3) Research materials prepared by others | <input type="radio"/> (7) Company press releases  |
| <input type="radio"/> (4) Corporate rating services             | <input type="radio"/> (8) Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) Long term purchases (securities held at least a year) | <input type="radio"/> (5) Margin transactions   |
| <input type="radio"/> (2) Short term purchases (securities sold within a year)  | <input type="radio"/> (6) Option writing, including covered options, uncovered options, or spreading strategies |
| <input type="radio"/> (3) Trading (securities sold within 30 days)              | <input type="radio"/> (7) Other (explain on Schedule F)   |
| <input type="radio"/> (4) Short sales   |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:  
EDELMAN FINANCIAL ADVISORS LLC

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**5. Education and Business Standards.**

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |   |   |
|---|---|
| <input checked="" type="radio"/> (1) broker-dealer  | <input type="radio"/> (7) accounting firm                                       |
| <input type="radio"/> (2) investment company  | <input type="radio"/> (8) law firm  |
| <input checked="" type="radio"/> (3) other investment adviser   | <input checked="" type="radio"/> (9) insurance company or agency                |
| <input type="radio"/> (4) financial planning firm   | <input type="radio"/> (10) pension consultant                                   |
| <input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="radio"/> (11) real estate broker or dealer                         |
| <input type="radio"/> (6) banking or thrift institution   | <input type="radio"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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**9. Participation of Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☒ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☒ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- |  |                                     |                          |
|--|-------------------------------------|--------------------------|
| <b>10. Conditions for Managing Accounts.</b> Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services <i>and</i> impose a minimum dollar value of assets or other conditions for starting or maintaining an account? | Yes                                 | No                       |
|  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Please see Schedule F Item 11**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Please see Schedule F Item 11**

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                       |                       |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? .....               | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? ..... | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? .....                   | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? .....                         | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                       |                       |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... ☐ Yes ☐ No

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
EDELMAN FINANCIAL ADVISORS LLC	801- 68266	10-18-07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: EDELMAN FINANCIAL ADVISORS LLC	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
	<p><b>INTRODUCTION</b></p> <p>Edelman Financial Advisors LLC ("EFA") is an investment adviser firm registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended ("Advisers Act"). EFA provides a service to unaffiliated registered investment advisers ("Unaffiliated Advisers") to make the Edelman Management Asset Program ("EMAP") portfolios available to their clients. In addition, investment adviser personnel of EFA offer EMAP portfolios to individuals, trusts, estates, and small businesses. Ric Edelman is the Chairman and majority owner (80%) of EFA. Sanders Morris Harris Group (SMHG), Houston, TX, which is a financial services organization, owns 10% of EFA. Edward Moore, President of EFA also owns 10% of EFA. Ric Edelman is also the Chairman and minority owner (49%) of Edelman Financial Center LLC ("EFC"), which in turn, owns Edelman Financial Services ("EFS") a Registered Investment Adviser affiliate of EFA. SMHG is the majority owner (51%) of EFC. Therefore, EFA and EFS are investment advisory firms under common control.</p> <p><b>ITEM 1 SERVICES</b></p> <p>EMAP is a wrap fee program, with widely diversified portfolios consisting of combinations of investment products which include: no-load mutual funds, exchange traded funds, and variable annuities, none of which are sponsored by or affiliated with EFA. EMAP is offered through EFS and EFA.</p> <ul style="list-style-type: none"> <li>• Trading Authorization – EMAP clients must establish brokerage accounts with a broker-dealer so that EFA can place securities transactions for their accounts and so that client assets are maintained with a qualified custodian. EFA has selected TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), an unaffiliated SEC-registered introducing broker-dealer and FINRA, and SIPC member, with custody and clearance provided through their affiliated broker, TD Ameritrade Clearing, and Pershing, LLC, (Pershing") also an unaffiliated SEC-registered broker-dealer affiliate of BNY Securities Group and FINRA and SIPC member as clearing broker- dealers. As such, EFA places all transactions associated with EMAP for execution through these executing broker-dealers. TD Ameritrade and Pershing offer services which include custody of securities, trade execution, clearance, and settlement of transactions.</li> </ul> <p>Pershing and TD Ameritrade, unaffiliated clearing firms, perform all of the necessary brokerage services for EMAP accounts and provide custody services of client assets on a fully disclosed basis. Transaction costs imposed by the brokerage firms are covered by the EMAP fee, except as noted below and in the</p>

**Schedule F of  
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Part II**

Applicant:	SEC File Number:	Date:
EDELMAN FINANCIAL ADVISORS LLC	801- 68266	10-18-07

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	<p>EMAP Client Agreement or Tri-Party Agreement. EFA has negotiated fees with both brokerage firms that are based on a percentage of the value of EMAP assets maintained in client brokerage accounts. If clients open brokerage accounts with TD Ameritrade, it is important for clients to understand that TD Ameritrade could provide benefits to EFS, an affiliated registered investment adviser, in connection with radio and television broadcasts. See additional disclosures of conflicts in response to Items 9, 12 and 13, below.</p> <ul style="list-style-type: none"> <li>• Portfolio modeling for EMAP is provided by Edelman Business Services LLC ("EBS"), an affiliate of EFA. EBS, which is owned by EFC, designs and periodically modifies the EMAP portfolios for the use, customization and implementation into client accounts. The model portfolios and, branding of EMAP are maintained by EBS. EFS also offers EMAP portfolios to its clients and utilizes the services of EBS. In addition, back office personnel, including trading and operations, are situated together and/or shared between EFA and EFS.</li> <li>• Rebalancing – Each client’s account is invested in accordance with the client’s asset allocation strategy. When an account is initiated, amounts invested in each asset type are determined in accordance with set target percentages of total assets in the account. Thereafter, as markets fluctuate and values change, amounts originally allocated to an asset type will either exceed or fall below the original target allocations. EFA periodically adjusts account holdings back to the original asset targets within certain limitations, or “rebalances” the account. However, EFA does not rebalance accounts constantly and asset allocations may drift away from their original target percentages before EFA, within its authority and judgment brings those allocations back in line to the original percentages. When EFA rebalances an account, it sells holdings that have appreciated in value to buy other holdings that may have declined in value. The purpose of rebalancing is to maintain the approximate target allocations.</li> </ul> <p>Trading personnel is shared between EFS and EFA. All EMAP client transactions are aggregated and executed simultaneously to ensure that pricing of securities remains aligned.</p> <ul style="list-style-type: none"> <li>• Reallocations – Authority granted under the Tri-Party Agreement or EMAP Client Services Agreement permits EFA to reallocate assets in EMAP accounts. In a reallocation, the target percentages of some or all of the asset classes or securities within an account are changed. Reallocations typically occur less frequently than rebalancing. EMAP clients for both EFA and EFS will incur the same changes. Resulting client transactions are aggregated and executed</li> </ul>

**Schedule F of  
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Item of Form (identify)	Answer
	<p>simultaneously to ensure that pricing of securities remains aligned for all EMAP clients.</p> <ul style="list-style-type: none"> <li>• Uninvested Cash – Cash invested into money market fund shares may remain uninvested in securities for a period of time. Therefore, a period of time may elapse between the deposit of cash or liquid assets to the account and the account reaching a fully invested position. Although clients may deposit freely tradable securities in their accounts to meet the EMAP minimum account size, EFA will liquidate those securities positions and invest the proceeds in securities matching the client's selected investment strategy. Clients are instructed by their investment adviser representative to consult with their tax professionals before liquidating and depositing securities into their EMAP accounts in order to determine any tax consequences associated with the liquidation.</li> <li>• Client Imposed Restrictions- Clients are permitted to impose reasonable restrictions on the management of their accounts. When imposing reasonable restrictions for their account, clients may request that particular securities or types of securities not be purchased, or that such securities are to be sold if held within the account. Clients should note that it is not possible for EFA to influence or change the mix of portfolio securities held by any mutual fund, annuity or ETF in which client accounts may be invested. Restrictions may be requested only at the fund level itself. EFA reserves the right, in its sole discretion, to reject any account for which unreasonable or overly restrictive conditions are requested. No securities held in an EMAP portfolio will be placed or traded on margin.</li> </ul> <p>Edelman Direct Advisors ("EDA") is a division of EFA designed to service and offer EMAP to nationwide prospective clients who live outside of the metropolitan Washington, DC area. Generally, prospective clients who have heard "The Ric Edelman Show", a radio talk show, read Ric Edelman's books or newsletter, and/or attended his seminars, and seek the services of an investment adviser professional contact the firm. A qualified investment adviser representative holds an initial telephone meeting to explain the firm's products, services, fees and charges. The prospective client's investment objectives, financial, personal and other relevant information are collected and analyzed. Services provided are determined based on the prospect's personal situation, including age, health, family circumstances, income, time horizon, risk tolerance, expenses, assets, debts, liquidity needs, goals, objectives, risk tolerance, preferences and other relevant factors. A portfolio recommendation is presented for the prospective client's consideration and selection. Subsequent telephone conversations are held to establish an account and further explain the recommended portfolio(s)</p>

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	<p>selection. Clients are serviced on an ongoing and as needed basis.</p> <p>Guide to Portfolio Selection – Alternatively, a potential client may utilize the emapadvisor.com website to seek asset allocation modeling direction. The process begins online with the individual entering their personal information by answering a series of questions. The questions are analyzed and a portfolio choice is given to the individual. The prospective client may chose to open an account or utilize the information indeterminate. The client may contact the firm to initiate the new account process. A qualified investment adviser representative will gather the client information, assess the client's financial situation, ensure that the client understands associated fees and charges and review the portfolio recommendation for the client's consideration and selection.</p> <p>Once established, accounts are monitored on an ongoing basis and assets are rebalanced or reallocated based on market or other conditions as warranted. Changes in the portfolio which include adding, removing or replacing securities at the discretion of EFA, are made based on significant changes in the economic, financial or political climate; the tax code; the management of the funds invested in the portfolio. EFA may replace a particular security if it significantly diverges from its relevant index in terms of risk or return with a security that is more in line with the risk/return profile desired. Clients are notified quarterly to update their personal information and investment objectives and are contacted annually to determine if changes are needed.</p> <p>Unaffiliated Registered Investment Advisers—EFA sponsors EMAP, discussed in detail above, and makes the portfolios available to clients of unaffiliated registered investment adviser firms. Investment adviser representatives of unaffiliated registered investment adviser firms ("UIARs") offer EMAP portfolios to their clients utilizing systems and services provided by EFA. The UIAR, through their registered investment adviser, initiates the relationship with the client and is the ongoing client relationship manager. The UIAR is responsible for soliciting, documenting and analyzing the client's financial and personal information, objectives, situation and gathering any reasonable restrictions the client would like to impose on their account. The UIAR is also responsible for assisting the client with the appropriate EMAP portfolio(s). The UIAR presents the recommendation to the prospective client for acceptance. Once accepted, the UIAR assists the client with the completion of the new account documentation which among other things grants limited discretionary authority to EFA. After the EMAP portfolio is selected, the UIAR promptly communicates the information to EFA. The UIAR remains responsible for assessing initial and ongoing suitability of EMAP and introducing the appropriate portfolio(s) to the client.</p>

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	<ul style="list-style-type: none"> <li>• Role of Unaffiliated Registered Investment Adviser – The unaffiliated registered investment advisory firm (“Unaffiliated Adviser”) is responsible for the supervision of the UIAR and the overall EMAP portfolio recommendations made to clients. The Unaffiliated Adviser through its UIAR and principals compiles personal and financial information about the client, maintains the appropriate books and records, makes a portfolio recommendation that will meet the client’s goals and objectives, approves the recommendation, maintains the ongoing client relationship and meets with the client on a periodic basis to discuss suitability and any reasonable restrictions the client would like to impose on their account. It is the Unaffiliated Adviser’s responsibility to obtain accurate and complete information on each of its clients, to communicate restrictions clients may wish to impose, and any changes in the forgoing to EFA promptly.</li> <li>• Role of EFA – EFA does not have direct contact with the Unaffiliated Adviser’s clients. Pursuant to a Tri-Party Agreement between the client, Unaffiliated Adviser, and EFA transactions are effected in the client’s account in accordance with the portfolio specifications provided to EFA by the Unaffiliated Adviser. EFA provides back office services, including trading and operations functions, to the Unaffiliated Adviser. EFA facilitates the opening of new accounts, transfer of accounts, and handling of client funds and</li> </ul> <p>transactions utilizing unaffiliated clearing firms upon receipt of instructions from the Unaffiliated Adviser. EFA monitors client accounts on a daily basis to determine account rebalancing opportunities and acts on a discretionary basis by exercising limited trading authority to perform the necessary trading functions to keep account assets appropriately aligned in accordance with the selected portfolio. Clients are notified quarterly to update their personal information and investment objectives. EFA provides instructions for the UIAR to contact their clients annually to determine ongoing suitability and determine if changes are needed.</p> <p>Fees:</p> <p>The fee includes all portfolio transaction costs and custody of assets, when transactions are effected through Pershing or TD Ameritrade. The minimum householded account size is \$75,000 and the minimum annual fee is \$1,500. Accounts with less than \$75,000 will effectively pay a fee that is greater than the 2.00% noted in the schedule below. Clients authorize EFA to deduct the EMAP fee from their accounts under the EMAP Client Agreement or the Tri-Party Agreement.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

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	<p>The fee is based on the average daily balance of the portfolio. The first payment is prorated for assets that are placed in an account at some point during a calendar quarter. Fees are determined following the last day of each quarter. Fees are deducted from the client's account no later than the fifteenth (15th) day after the end of each quarter, in arrears. The fee schedule below shows the annual percentages:</p> <p>First \$150,000.....2.00%</p> <p>Next \$250,000.....1.65%</p> <p>Next \$350,000.....1.25%</p> <p>Next \$250,000.....1.00%</p> <p>Next \$2 million.....0.75%</p> <p>Next \$7 million.....0.60%</p> <p>Next \$15 million.....0.50%</p> <p>Amounts above \$25 million.....negotiable</p> <p>The fee does not include debit balances; related margin interest; IRA and retirement plan fees; SEC fees; 12b-1 fees for certain money market funds; expenses charged by the mutual funds (including management fees, transaction charges incurred for fund-level portfolio trades, custody of fund assets and other fund expenses); exchange-traded funds; or other fees or taxes that are required by law.</p> <p>Both EFA and Unaffiliated Advisers, who are authorized to recommend EMAP, receive compensation based on the amount of money the client invests in the program. EDA's are compensated 15bps based on the amount of client assets brought into the firm. The amount of such compensation may be more or less than what EFA or the Unaffiliated Adviser might earn from other programs provided. Therefore, EFA and the Unaffiliated Adviser may have a financial incentive to recommend the EMAP program over other programs or services.</p> <p>The fees shown above are not based on the amount of trading in the account or</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 6

**Schedule F of  
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Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
EDELMAN FINANCIAL ADVISORS LLC	801- 68266	10-18-07

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: EDELMAN FINANCIAL ADVISORS LLC	IRS Empl. Ident. No.:
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	<p>the advice given in any particular time period. The program's features may cost more or less if the services were to be purchased separately. The savings enjoyed or additional expense incurred would depend on the fees charged by the advisor (based on the advisor's skills and experience), the securities purchased</p> <p>and the extent and frequency of trading done in the account. Client should be aware that lower fees for comparable services may be available from other sources.</p> <p>EFA will pay a negotiated percentage, up to 70% of the annual account fee, to Unaffiliated Advisers on accounts initiated and serviced by them. To the extent a client selects an EMAP portfolio through EFA versus EFS; the client would pay the same amount in fees. However, EFS retains 100% of the fee collected while EFA could pay up to 70% of the account fee to an Unaffiliated Adviser.</p> <p><b>ITEM 5 EDUCATION AND BUSINESS STANDARDS</b></p> <p>Although EFA has no formal policy, emphasis is placed on professional education and practical experience in the field, along with FINRA and state licensing as required. Generally, EFA requires that Edelman Direct Advisors have at least a college education and a minimum of three years of industry related experience or other substantially equal qualifying experience. EFA Senior Management reserves total discretion when applying these standards.</p> <p><b>ITEM 6 EDUCATION AND BUSINESS BACKGROUND</b></p> <p>Fredric (Ric) M. Edelman, born 1958. EFA Chairman, CEO and majority owner. Received a BA in Communications from Glassboro State College (now Rowan University), Glassboro, NJ, in 1980. Mr. Edelman was the founder and has been the Chairman of EFS since 1987. He is a Certified Fund Specialist, a Chartered Mutual Fund Counselor, a Registered Financial Consultant, a Qualified Financial Planner, and Certified Retirement Counselor®, is Board Certified in Mutual Funds. Mr. Edelman is a registered representative with SMH Capital Inc. and is licensed to sell securities, life and health insurance and variable annuities. He was inducted into the Financial Investment Advisor Hall of Fame, sponsored by Research magazine, in 2004, and received an honorary doctorate from Rowan University in 1999.</p> <p>Edward (Ed) P. Moore, born 1960. EFA President and minority owner. Received a BS in Industrial Engineering and Operations Research from Virginia Tech,</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 7

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	<p>Blacksburg, VA, in 1983. Mr. Moore became affiliated with EFS in 1990. He is the President of EFS, a Certified Financial Planner™ practitioner and is licensed to sell securities, life and health insurance and variable annuities. Mr. Moore is a registered representative with SMH Capital Inc.</p> <p>Eraine J. Parker, born 1960. Chief Compliance Officer (CCO). Received a BA in Business Administration from Georgia State University in 1988. Ms. Parker has been in the areas of compliance and accounting within the financial services industry for over twenty years, including five years with the NASD. Ms. Parker was most recently affiliated with SunTrust Investment Services, Inc. for twenty-three years. She served as CCO for the broker-dealer and registered investment adviser during her tenure. She has been affiliated with EFS since 2007. Ms. Parker is a registered representative and principal with SMH Capital Inc.</p> <p><b>ITEM 7 OTHER BUSINESS ACTIVITIES</b></p> <p>Speaking Engagements—Ric Edelman is a public speaker and host of a radio program about investing, as described in more detail below. Fees for his speaking engagements range from free to \$30,000 plus first-class travel expenses, depending on sponsor, date, location, and program requested. For all speeches, 50% of the fee is required prior to the event, with the balance due at the conclusion of the event. Speaker fees are non-refundable, but are negotiable.</p> <p>Radio Broadcasts—Ric Edelman is the host of a syndicated radio program, “The Ric Edelman Show”, pertaining to investing and financial planning. He does not discuss specific securities and does not reveal any of the EMAP portfolio holdings or recommendations to listeners. It is a live talk show and the public is invited to call into these broadcasts and discuss their personal situation. In any of these circumstances, a caller may discuss a specific mutual fund, ETF or insurance product that may be held in the accounts of certain EMAP clients or under consideration at the time of the caller’s question. Mr. Edelman does not give specific investment advice to callers and he may give advice to the caller that is the same as or different than the advice EFA has taken or may take for EMAP clients.</p> <p>Seminars—Seminars are offered to the public to discuss a variety of financially related topics. Fees range from \$25 to \$495, with satisfaction guaranteed or 100% of the registration fee refunded. Fee is due prior to the event.</p> <p>Educational Products— EFA sells CD’s and DVD’s (titles include “Mind Over</p>

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	<p>Money”, an audio CD, and “10 Great Reasons to Carry a Big, Long Mortgage” a DVD) for prices ranging from \$19.95 to \$99.95. Ric Edelman's books, are available in bookstores everywhere and, include The Truth About Money (3rd ed.), The New Rules of Money, Ordinary People Extraordinary Wealth, Discover the Wealth Within You, and What You Need to Do Now, for prices ranging from \$9.95 to \$25. For all products, there is a fee for shipping and handling.</p> <p>Internet— Edelman Financial maintains several internet web-sites; <a href="http://www.edelmanfinancial.com">www.edelmanfinancial.com</a>, <a href="http://www.emapadvisor.com">www.emapadvisor.com</a> and <a href="http://www.ricedelman.com">www.ricedelman.com</a>. Generally, except as discussed in Item 1 above, information offered involving securities is generic and is intended to educate the public about finances and investing. No specific investment recommendations are offered. EMAP clients may access their account information directly through this secure web-site.</p> <p><b>ITEM 8 OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS</b></p> <p>Broker-Dealer—Sanders Morris Harris Group, minority owner of EFA, owns SMH Capital Inc. ("SMH"), a registered broker-dealer. As such, EFA is affiliated with a registered broker-dealer. EFA does not consider this relationship material from the standpoint of delivering investment management services to EFA clients.</p> <p>Transactions for EMAP wrap fee clients are executed and cleared through TD Ameritrade or Pershing LLC, unaffiliated broker-dealers. TD Ameritrade and/or Pershing receive a fixed percentage based on the EMAP assets held in the accounts as compensation for their services. That fee is based on all EMAP account assets that are maintained in the custody of either firm.</p> <p>Investment Advisers—EFA is affiliated with Edelman Financial Services LLC ("EFS"), a registered investment adviser, which is owned by SMHG 51% and Ric Edelman 49%.</p> <p>Insurance Company or Agency –As previously stated EFS is a registered investment adviser affiliate of EFA and is licensed as an insurance agency in several states.</p> <p>Mortgage Broker or Dealer—Edelman Mortgage Services LLC ("EMS") is a subtenant of EFS and a wholly owned subsidiary of EFC. EFA may refer clients to EMS and vice versa. EMS charges clients separately for any mortgage services rendered. There is no contractual obligation between EMS, EFS and EFA to refer clients or maintain business relationships. However, as a minority</p>

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	<p>owner of EFC, Ric Edelman has an interest in the profitability of EMS.</p> <p>Other—Edelman Business Services LLC ("EBS") is a subtenant of EFS and a wholly owned subsidiary of EFC. In addition to designing portfolios for the EMAP product and maintaining the brand, EBS markets The Retirement InCome for Everyone Trust® (RIC-E Trust®), which is an</p> <p>individual grantor trust enabling the Grantor to set aside assets for a child's retirement. EBS receives an administrative fee of \$300 for each RIC-E Trust® established. This fee is not associated with investment advisory services offered by EFS or EFA.</p> <p>ITEM 9 PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>Transactions executed on behalf of EMAP clients are executed for a single wrap fee, which diminishes the potential conflict of interest associated with executing a large number of orders for client accounts and earning transaction-based compensation following each order. Thus, neither EFA nor Unaffiliated Advisers earn any additional revenue from the trades effected in EMAP accounts beyond the wrap fee. Trading charges incurred to buy or sell securities are included in the wrap fee and EFA and/or the Unaffiliated Adviser do not receive commissions for executing such transactions. TD Ameritrade and Pershing have agreed to fixed asset-based fees for transaction-related services provided to EMAP accounts. The compensation is paid from the EMAP fee and does not vary depending upon the number of trades effected in EMAP client accounts. Therefore, EFA does not earn more of the fee if it places fewer trades. As a result of the wrap nature of the fee, EFA has no economic incentive to place more or less EMAP account trades.</p> <p>Recommendations Involving Financial Interest — EFA, Unaffiliated Adviser professionals or other access persons as defined by the Investment Advisers Act may implement for their own account an EMAP portfolio and may give advice and take action with respect to their own account(s) that may differ from action taken by EFA on behalf of client accounts. EFA is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that EFA, its affiliates or their respective Access Persons, as defined by the Advisers Act, may buy or sell for its or their own account or for the accounts of any other client except to the extent that such investments violate the Code of Ethics ("Code") adopted by EFA.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 10

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	<p>Although all employees of EFA get the benefit of a fee reduction, employee accounts are not given preferential trading treatment, and are monitored and rebalanced on the same basis as all other unrestricted client accounts invested in accordance with the same</p> <p>EMAP portfolio strategy. Since EFA employees may establish an EMAP account for themselves, in that regard they will buy and sell for themselves the same underlying securities as clients would buy or sell for themselves. From time to time, employees and principals of EFA, or any related person(s), may have interests in securities owned by or recommended to EFA clients, including mutual funds and exchange-traded funds. As these situations may represent a potential conflict of interest, EFA has adopted procedures relating to personal securities transactions and insider trading procedures that are designed to prevent actual conflicts of interest. In addition, it is possible that one of the unaffiliated underlying funds could purchase SMHG stock. Neither EFA, EFS, nor Ric Edelman have any control over the investment decisions made by the manager to the underlying funds.</p> <p>Code of Ethics—The EFA Code of Ethics (“Code”) was adopted in accordance with Advisers Act Rule 204A-1 to govern personal transactions by Access Persons of EFA and to address potential conflicts between the interests of Access Persons and the interests of EFA clients. Assess persons are also required to comply with reporting obligations. In addition, the EFA Code</p> <p>of Ethics also requires all Access Persons and all Supervised Persons of EFA to comply with ethical restraints relating to clients and their accounts, including restrictions on giving gifts to, and receiving gifts from, clients in violation of EFA gift policy. A copy of the EFA Code of Ethics is available to any client or prospective client upon request.</p> <p>Insider Trading Policy—EFA and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor decision to buy, sell or hold a security. Under applicable law, EFA and its related persons is prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is an EFA client. Accordingly, should such persons come into possession of material nonpublic or other confidential information with respect</p> <p>to any company, they are prohibited from communicating such information to, or using such information for the benefit of, their respective clients, and have no</p>

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	<p>obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, their clients when following policies and procedures designed to comply with law.</p> <p>ITEM 10 CONDITIONS FOR MANAGING ACCOUNTS</p> <p>The minimum EMAP householded account size is \$75,000 and the minimum annual fee is \$1,500.</p> <p>ITEM 11 REVIEW OF ACCOUNTS</p> <p>Review—EMAP accounts are monitored on an on going basis and accounts are rebalanced based on market or other conditions as warranted. Securities for EMAP accounts are bought or sold by EFA subject to its limited discretionary authority.</p> <p>On at least an annual basis the assigned EDA or UIAR must schedule a discussion with the client to update their financial and personal information and to determine what changes, if any, are warranted to meet the client's ongoing needs and assess the ongoing suitability of the EMAP. To the extent there are any changes it is the responsibility of the Unaffiliated Adviser to promptly report those changes to EFA. EDAs will implement such changes internally.</p> <p>Nature and Frequency of Client Reports—EMAP clients receive monthly and quarterly account statements and confirmations from the clearing broker-dealer, and generally have unlimited and continuous access to their account information through web-sites offered and maintained by TD Ameritrade and/or Pershing, the executing and custodying broker-dealers for the EMAP wrap fee program.</p> <p>ITEM 12 INVESTMENT OR BROKERAGE DISCRETION</p> <p>Limited Discretionary Authority—Under the and EMAP Client Agreement, clients provide EFA with limited discretionary authority to carry out the following in accordance with the client's specified investment objectives, without client consultation or further consent before a transaction is effected:</p> <ul style="list-style-type: none"> <li>• invest client assets into the specified portfolio consisting of a diversified mix of asset classes and investment securities,</li> <li>• modify or change the mix of asset classes and investment securities within the</li> </ul>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 12

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	<p>portfolio, and</p> <ul style="list-style-type: none"> <li>• rebalance the portfolio periodically.</li> </ul> <p>Selection of Executing Brokers and Dealers— EFA has selected TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), an unaffiliated SEC-registered introducing broker-dealer and FINRA, NYSE and SIPC member, with custody and clearance provided through their affiliated broker, TD Ameritrade Clearing, and Pershing, LLC, also an unaffiliated SEC-registered broker-dealer affiliate of BNY Securities Group and a member of FINRA and SIPC as clearing broker- dealers. As such, EFA places all transactions associated with EMAP for execution through these executing broker-dealers. TD Ameritrade and Pershing offer services which include custody of securities, trade execution, clearance, and settlement of transactions.</p> <p>Both Pershing and TD Ameritrade provide EFA with services typically made available to institutional investment managers (and generally are not offered to retail customers). These services include duplicate client statements and confirmations; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; and access to mutual funds with no transaction fees. In selecting clearing firms, EFA evaluates all of the services offered, the quality of those services and the cost indirectly borne by EMAP clients, and determines if the clearing firm provides a high quality of overall services for the price. EFA will periodically compare clearing firm services and prices against other broker-dealers qualified to provide comparable services. While another broker-dealer may offer these services at a lower overall cost, EFA is not required to move all accounts to that broker-dealer.</p> <p>In general, the securities purchased for EMAP accounts are no-load mutual fund shares, variable annuities or exchange traded funds. While EFA has attempted to negotiate favorable commission rates for EMAP transactions and believes that both TD Ameritrade and Pershing offer competitive commission rates. EFA does not otherwise seek to obtain the best combination of price and execution with respect to EMAP account portfolio transactions. EMAP clients pay a wrap fee, which includes all brokerage execution costs, without regard to the number of transactions executed during the billing period. The wrap fee does not include certain securities related costs, including the fees embedded in the mutual funds in which EMAP accounts invest. In general, EFA believes that the wrap fee, which includes execution for fixed asset-based fees, custody and advice,</p>

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	<p>provides clients with best execution with respect to securities transactions.</p> <p>EFA may establish clearing relationships with various other non-affiliated third party broker-dealers. Clients choosing to participate in EMAP must consent to execution through TD Ameritrade, Pershing or another mutually agreed upon unaffiliated clearing broker-dealer with</p> <p>which EFA has a clearing arrangement. Only clearing broker-dealers that provide timely service and execution and a fair price will be selected. EFA will search for the fairest cost possible. These clearing arrangements with other third party broker/dealers will not affect the wrap fee paid by the client.</p> <p>Batch Transaction Policy – EFA aggregates transactions on behalf of all EMAP accounts, including accounts of its investment adviser professionals and other access personnel. Such transactions will be allocated to all participating accounts in a fair and equitable manner. There is no problem finding sufficient mutual fund shares to purchase for EMAP accounts. These shares are purchased from the issuer and sold at the net asset value determined after an order is received. Shares of mutual funds are sold back to the issuer and since EMAP portfolios consist mostly of open-end funds, each issuing mutual fund stand ready to buy the shares back at the share's net asset value, as determined at close of business on the day the redemption order is received. Similarly, EFA buys and sells highly liquid ETF interests or shares and there is seldom any difficulty finding a sufficient supply of ETFs on the market. When selling ETFs, there typically is no impact to the price at which ETFs trade when EFA sells out of a position across client accounts.</p> <p>When the price or execution of an EMAP security can be impacted favorably by aggregating orders among EMAP accounts, EFA may, but is not required to, batch orders for more than one client. In the limited circumstances where sufficient quantities of a particular security are not obtainable, a pro rata allocation may be used when a batch order in the security cannot be fully executed in a single day. The partial fill is generally allocated among the participating client accounts based on the size of each accounts original order, subject to rounding in order to achieve "round lots." Unexecuted orders will continue until the block order is completed or until all component orders have been cancelled. New orders for the same security will be aggregated with any remaining unexecuted orders and will continue in the same manner. As previously stated orders for all EMAP wrap fee clients including those of EFA and EFS generally will be aggregated to ensure equal pricing for all clients.</p>

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	<p><b>ITEM 13 ADDITIONAL COMPENSATION</b></p> <p>Client Referrals—EFA may pay unaffiliated solicitors for client referrals in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act and the respective federal and state laws governing the same. Such fees will be based on a percentage of client assets invested in EMAP. Any such referral fee shall be paid solely from the investment advisory fee. The fee to the client will not be increased by the amount to be paid to such solicitors. Compensation to the solicitor is on a negotiated basis. The unaffiliated solicitor shall provide the client with a copy of EFA's ADV Part II, including Schedules F and H, and a copy of the disclosure between EFA and the solicitor containing the terms and conditions of the solicitation arrangement, including compensation.</p> <p>Non Client Arrangements—TD Ameritrade may sponsor the radio show, “The Ric Edelman Show,” or other events hosted by Ric Edelman. In connection with its sponsorship, TD Ameritrade could buy advertising time during the show or event and Ric Edelman could promote TD Ameritrade by referencing its sponsorship.</p> <p><b>DESCRIPTION OF PROXY VOTING POLICIES</b></p> <p>EFA generally has no obligation or authority to take action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held by client accounts. With respect to ERISA accounts, EFA generally expects clients to expressly retain the authority and responsibility for proxy voting and to specify, in writing, which has voting authority.</p> <p>EFA has written proxy voting policies and procedures as required by Advisers Act Rule 206(4)-6. Under these policies and procedures, EFA generally declines to accept proxy voting responsibility for client accounts. However, to the extent that EFA may accept a discretionary account through EMAP, which requires EFA, to vote its proxies in writing, EFA will vote such proxies in the best interests of clients. EFA has written guidelines for certain issues on which votes may be cast, which may determine its vote. EFA would, if required to vote, generally cast proxy votes in favor of management proposals given that it invests, on a discretionary basis, only in mutual funds, variable annuities and exchange-traded funds, which have, in large part, been chosen based on their historical track records and existing management. The proxy administrator is responsible for ensuring that votes are cast in accordance with the EFA policy and records are maintained. In the event of a material conflict of interest, EFA will follow its procedures for resolving material conflicts as identified below.</p>

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	<p>EFA acknowledges its responsibility for identifying material conflicts of interest related to voting proxies. Senior management and advisory personnel of EFA must disclose to the proxy administrator any personal conflicts, such as officer or director positions held by them, their spouses or close relatives, with the portfolio company. Conflicts based on business relationships with EFA or any affiliates of EFA will only be considered to the extent that EFA has actual knowledge of such relationships. When a material conflict of interest between EFA's interests and its clients' interests appears to exist, EFA may eliminate the conflict by choosing one of several options, which include: (1) vote in accordance with the EFA policies and procedures if it involves little or no discretion; (2) vote as recommended by a third party service if EFA utilizes such a service; (3) "mirror vote" the proxies in the same proportion as the votes of other proxy holders that are not EFA clients; (4) if possible, erect information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict; (5) if practical, notify affected clients of the conflict of interest and seek a waiver of the conflict; or (6) if agreed upon in writing with the client, forward the proxies to affected clients allowing them to vote their own proxies.</p> <p>Clients may obtain copies of the EFA written proxy voting policies and procedures as well as information on how proxies were voted for its account by requesting such information from EFA at the address and phone listed on page 1 of Part II of this Form ADV. EFA will not disclose proxy votes for a client to other clients or third parties unless specifically requested, in writing, by the client.</p>

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