

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 27676 / January 24, 2007

In the Matter of

FBR FUND ADVISERS, INC.
FBR INVESTMENT SERVICES, INC.
FBR INVESTMENT MANAGEMENT, INC.
Potomac Tower
1001 Nineteenth Street North
Arlington, VA 22209

(812-13351)

ORDER PURSUANT TO SECTION 9(c) OF THE INVESTMENT COMPANY ACT
OF 1940 GRANTING A PERMANENT EXEMPTION FROM SECTION 9(a) OF THE
ACT

FBR Fund Advisers, Inc. (“FBR Advisers”), FBR Investment Services, Inc. (“FBRIS”) and FBR Investment Management, Inc. (“FBRIM”) filed an application on December 22, 2006, which was amended on January 17, 2007, requesting temporary and permanent orders under section 9(c) of the Investment Company Act of 1940 (“Act”) exempting applicants and any other company of which Friedman, Billings, Ramsey & Co., Inc. is or becomes an affiliated person, other than any company of which Emanuel J. Friedman is or becomes an affiliated person (together, “Covered Persons”), from section 9(a) of the Act with respect to a securities-related injunction entered by the U.S. District Court for the District of Columbia on December 22, 2006.

On December 29, 2006, the Commission simultaneously issued a notice of the filing of the application and a temporary conditional order exempting applicants from section 9(a) of the Act (Investment Company Act Release No. 27652) until the Commission takes final action on the application for a permanent order. The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found that the conduct of the applicants has been such as not to make it against the public interest or protection of investors to grant the permanent exemption from the provisions of section 9(a) of the Act.

Accordingly,

IT IS ORDERED, pursuant to section 9(c) of the Act, on the basis of the representations contained in the application filed by FBR Advisers, FBRIS, and FBRIM (File No. 812-13351), that Covered Persons be and hereby are permanently exempted from the provisions of section 9(a) of the Act, operative solely as a result of an injunction, described in the application, entered by the U.S. District Court for the District of Columbia on December 22, 2006.

By the Commission.

Florence E. Harmon
Deputy Secretary