

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 8773 / January 12, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12538**

**In the Matter of**

**FRIEDMAN, BILLINGS,  
RAMSEY & CO., INC.,**

**Respondent.**

**ORDER UNDER RULE 602(e) OF  
THE SECURITIES ACT OF 1933  
GRANTING A WAIVER OF THE  
DISQUALIFICATION PROVISIONS  
OF RULES 602(b)(4), 602(c)(2) AND  
602(c)(3)**

Friedman, Billings, Ramsey & Co., Inc. ("FBR") has submitted a letter, dated November 28, 2006, requesting a waiver of the disqualification from the exemption from registration under Regulation E arising from FBR's settlement of an injunctive proceeding in federal court and an administrative proceeding commenced by the Commission.

On December 22, 2006, pursuant to FBR's Consent, the United States District Court for the District of Columbia entered a Final Judgment permanently enjoining FBR from violating Sections 5 and 17(a) of the Securities Act of 1933 ("Securities Act") and Sections 10(b) and 15(f) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder. The Final Judgment also ordered FBR to disgorge ill-gotten gains and to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act and Sections 21(d) and 21A of the Exchange Act.

In addition, on January 12, 2007, pursuant to FBR's Offer of Settlement, the Commission issued an Order Instituting Administrative Proceedings Pursuant to Section 15(b)(4) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions against FBR. Under the Order, the Commission found that FBR was enjoined from violations of Sections 5 and 17(a) of the Securities Act and Sections 10(b) and 15(f) of the Exchange Act and Rule 10b-5 thereunder. In the Order, the Commission censured FBR and ordered it to comply with certain undertakings.

The Regulation E exemption is not available for the securities of an issuer if the issuer or any of its affiliates is subject to any order, judgment, or decree of a court "temporarily or permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of securities." Rule 602(b)(4). The Regulation E exemption also is not available for the securities of an

issuer if a director, officer, principal security holder, investment adviser or underwriter of the securities to be offered, or any partner, director or officer of such investment adviser or underwriter, is temporarily or permanently restrained or enjoined by any court from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or arising out of such person's conduct as an underwriter, broker, dealer or investment adviser. Rule 602(c)(2). The Regulation E exemption further is not available to an issuer if a director, officer, principal security holder, investment adviser or underwriter of the securities to be offered, or any partner, director or officer of such investment adviser or underwriter, is subject to a Commission order pursuant to Section 15(b) of the Exchange Act. Rule 602(c)(3). However, Rule 602(e) provides that disqualification "shall not apply . . . if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances, that the exemption be denied."

Based upon the representations set forth in FBR's request, the Commission has determined that pursuant to Rule 602(e) a showing of good cause has been made that it is not necessary under the circumstances that the exemption be denied as a result of the Final Judgment or the Order.

Accordingly, IT IS ORDERED, pursuant to Rule 602(e) under the Securities Act, that a waiver from the application of the disqualification provisions of Rules 602(b)(4), 602(c)(2) and 602(c)(3) under the Securities Act resulting from the entry of the Final Judgment and the Order, respectively, is hereby granted.

By the Commission.

Nancy M. Morris  
Secretary