

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 55104 / January 12, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12537**

**In the Matter of**

**EMANUEL J. FRIEDMAN,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b)(6) OF**  
**THE SECURITIES EXCHANGE ACT OF**  
**1934, MAKING FINDINGS, AND**  
**IMPOSING REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) against Emanuel J. Friedman (“Friedman” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Friedman has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Friedman consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Friedman's Offer, the Commission finds that:

1. From 1989 until April 26, 2005, Friedman was a registered representative of Friedman, Billings, Ramsey & Co., Inc. ("FBR"), a registered broker-dealer. For his entire tenure at FBR, Friedman was either the chairman or co-chairman and either the chief executive officer or co-chief executive officer of that firm. Friedman, 60 years old, is a resident of the District of Columbia.

2. On December 22, 2006, a final judgment was entered by consent against Friedman, permanently enjoining him from violating Section 5 of the Securities Act of 1933 ("Securities Act") and, as a controlling person pursuant to Section 20(a) of the Exchange Act, from violating, directly or indirectly, Sections 10(b) and 15(f) of the Exchange Act and Rule 10b-5 promulgated thereunder, in the civil action entitled Securities and Exchange Commission v. Friedman, Billings, Ramsey & Co., Inc., et al., Civil Action Number 06-CV-02160, in the United States District Court for the District of Columbia.

3. The Commission's complaint alleged that in September and October 2001, Friedman, along with others, had responsibility for, actively participated in and directed or controlled, the day-to-day management of FBR. In particular, the complaint alleged that Friedman, among other things, was a member of FBR's underwriting committee, participated in meetings regarding the progress of investment banking transactions and supervised FBR's compliance and trading departments. Accordingly, the complaint alleged that Friedman was a controlling person of FBR pursuant to Section 20(a) of the Exchange Act. The complaint also alleged that, in connection with a Private Investment in Public Equity ("PIPE") offering by CompuDyne Corporation ("CompuDyne"), FBR failed to establish, maintain and enforce policies and procedures reasonably designed to prevent the misuse of material, nonpublic information and, in violation of the antifraud provisions of the federal securities laws, improperly traded CompuDyne stock in its market making account while aware of material, nonpublic information concerning the CompuDyne PIPE offering. The complaint further alleged that Friedman, as a controlling person, is liable for the foregoing conduct by FBR. The complaint also alleged that FBR and Friedman engaged in unregistered sales of CompuDyne securities.

### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Friedman's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, Friedman be, and hereby is, barred from association in a supervisory capacity with any broker or dealer, with the right to reapply for such

association after two years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by Friedman will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Friedman, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Nancy M. Morris  
Secretary