



Dividend Reinvestment and Direct Stock Purchase and Sale Plan

Administered by American Stock Transfer and Trust Company

This is a summary only. For complete details, please refer to the current plan document, available at www.fbr.com or at www.amstock.com as provided below.

WHO IS ELIGIBLE FOR ENROLLMENT

- Current FBR shareholders and First Time Buyers (shareholders holding shares in “street name”).
- First Time Buyers can set up an account and become a registered shareholder by purchasing shares directly through American Stock Transfer and Trust Company (“AST”).

ENROLLMENT OPTIONS

- Have dividends on all shares reinvested into additional shares of FBR.
- Have dividends on certificated shares only reinvested into additional shares of FBR.
- Choose optional cash investments only, without reinvesting any dividends.

OPTIONAL CASH INVESTMENT

- Participants may make additional investments at anytime. Participants may
 - mail a check directly to AST at P.O. Box 922, Wall Street Station, New York, N.Y. 10269-0560;
 - make payments online at www.amstock.com, or
 - have AST automatically debit a checking or savings account monthly for investment on the next investment date. (This option may also be effected online.)
- Optional Cash Investments are made daily.
- Optional Cash Investments will be invested in the open market at the current market price.
- Acknowledgements are usually mailed within two (2) business days of the investment date.

DIVIDEND REINVESTMENT

- Dividends will be reinvested on the payable date in the open market and at the current market price.
- Dividend reinvestment statements are usually mailed within two (2) business days of the investment date.
- Statements contain a Transaction Request Form, which can be used for all transaction processing.
- All statements contain a year-to-date summary of transactions.

WITHDRAWALS

- Participants may choose to withdraw some or all full shares (but not fractional shares) by requesting either a sale or an issuance into a physical stock certificate (“certification”) of those shares. These transactions can be done online at www.asmtoc.com; by calling 1-877-366-6439, or by utilizing the Transaction Request Form on the statement.

TERMINATIONS

- Participants may terminate their participation in the Plan by accessing their account online; by calling 1-877-366-6439, or by utilizing the Transaction Request Form on the statement.
- Participants may choose to certificate all full shares and sell the fraction or sell all full and fractional shares.
- Requests to terminate received by 4:00 pm on the website or over the telephone, or by 1:00 pm via direct mail will be processed the following business day.
- Certificates and checks are usually mailed within two (2) business days of the transaction date.



SAFEKEEPING

- Participants may send in their physical certificates for deposit into book-entry form to their account.
- Individuals holding certificated stock but not enrolled in the plan may also take advantage of this deposit feature and continue to receive cash dividends.
- Individuals may send in their physical certificates to be deposited to their account and sold at the same time.

TRANSFERS

- Participants may transfer shares at any time to other individuals as long as transfer requirements are met.

TRANSACTION FEES

Dividend Reinvestment	2% of the dividend, maximum \$2.50
Optional Cash Investment	\$ 2.50 per transaction
Sales/Terminations	\$15.00 per transaction
Broker commission - Sales/Purchases	\$.10 per share
Safekeeping	\$ 7.50 per transaction (waived if safekeeping is with sale)
Transfers	None

QUESTIONS REGARDING THE PLAN CAN BE DIRECTED TO:

American Stock Transfer and Trust Company
59 Maiden Lane
New York, N.Y. 10038

1-877-366-6439

or

Visit our Website: www.amstock.com

Plan material may be obtained online at www.amstock.com by clicking on "Invest Online", then "All Plans" on the side bar. Select "Friedman, Billings, Ramsey Group, Inc.," click on "Invest Now" at the bottom of the screen and then select "Plan Material" to download materials to your computer.