

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 1, 2008

2008 OCT -1 P 3:42

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2007-00056

H. BECK, INC.,

Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Division of Securities and Retail Franchising ("Division"), it is alleged in the Rule to Show Cause ("Rule") filed by the State Corporation Commission ("Commission"), on June 18, 2008, that H. Beck, Inc. ("Defendant") violated Securities Rules 21 VAC 5-20-260 D 1 through 21 VAC 5-20-260 D 5.

The Commission is authorized by § 13.1-506 of the Act to revoke the Defendant's registration, by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-518 A of the Act to impose costs of investigation, by § 13.1-521 A of the Act to impose certain monetary penalties, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations in the above-mentioned Rule but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of the Commonwealth of Virginia, contemporaneously with the entry of this Order, the amount of forty thousand dollars (\$40,000) in monetary penalties.

(2) The Defendant will pay to the Commission, contemporaneously with the entry of this Order, the amount of twenty thousand dollars (\$20,000) to defray the cost of investigation.

(3) The Defendant will make restitution in accordance with its discussions with the Division to three (3) Virginia investors.

(4) The Division acknowledges that the Defendant has made extensive revisions to its compliance procedures and has improved the internal branch office compliance review, based in part upon recommendations made by Division Staff.

(5) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

The Commission, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted;

(2) The Defendant fully comply with the aforesaid terms and undertakings of this settlement; and

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

James H. Dresselaers, H. Beck, Inc., 11140 Rockville Pike, 4th Floor, Rockville, Maryland 20852-3144; Ida Wurczinger Draim, Esquire, Schulte Roth & Zabel LLP, 1152 15th Street, NW, Suite 850, Washington, DC 20005; Robert E. Draim, Esquire, Hudgins Law Firm, 515 King Street, Suite 400, Alexandria, Virginia 22314; and the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

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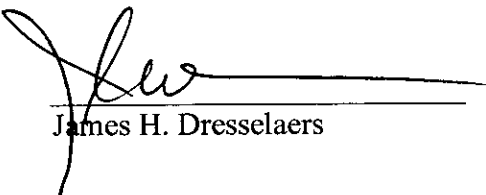
ADMISSION AND CONSENT

The Defendant, H. Beck, Inc., admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, neither admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order.

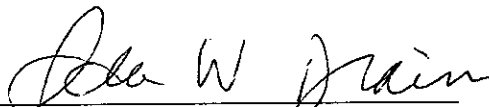
The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Settlement Order.

H. Beck, Inc.

Date: 9/4/08

By: 
James H. Dresselaers

Seen and Approved By:


Ida Wurczinger Draim, Esquire
Schulte Roth & Zabel LLP