

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

_____))
IN THE MATTER OF: STRALEM & COMPANY, INC.)
_____))

FILE NO. 0400726

CONSENT ORDER OF FINE

TO THE RESPONDENT: Stralem & Company, Inc.
645 Madison Ave.
New York, New York 10022

C/O Joann Paccione
645 Madison Ave.
New York, New York 1002

WHEREAS, Respondent on the 10 day of May, 2006 executed a certain Stipulation to Enter Consent Order of Fine (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated January 26, 2006, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Fine ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent has acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That Respondent is a corporation, which engages in the business of acting as a dealer in the offer and sale of securities to the general public.
2. That commencing April 11, 2004, until about September 30, 2004, the Respondent effected seventy-seven (77) securities transactions in Account #7Y6-001167 in the name of Illinois resident customer WHF; commencing August 1, 2004, until about September 30, 2004, the Respondent effected eighty-four (84) securities transactions in Account #7Y6-001191 in the name of Illinois resident customer LFP.

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3. That Section 8.A of the Act provides, in pertinent part except as otherwise provided, every dealer shall be registered as such with the Secretary of State.
4. That the activity described in paragraph two (2) above constitutes the activity of a dealer as defined in section 2.7 of the Act.
5. That at all relevant times, the Respondent was not registered with the Secretary of State as a dealer pursuant to Section 8 of the Act.
6. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provision of the Act.
7. That Section 12.C of the Act provides, *inter alia*, that it is a violation of the provisions of the Act for any person to Act as a dealer, unless registered as such where such registration is required under the provisions of the Act.
8. That by virtue of the foregoing, the Respondent has committed a violation of Sections 12.A and 12.C of the Act.
9. That under Section 11(E)(4) of the Act, the Secretary of State, after finding that any provision of this act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of Section 11(E)(4) of the Act, the Respondent is subject to a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of the Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be FINED in this matter in the amount of five thousand dollars (\$5,000.00). Said amount has been paid by certified or cashier's check, made payable to the Office of the Secretary of State, Investors Education Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's

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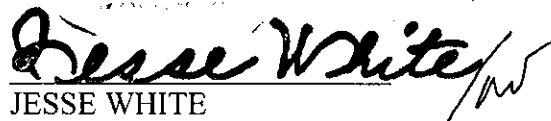
check in the amount of five thousand dollars (\$5,000.00) to pay the fine levied in this matter. Said check has been made payable to the Office of the Secretary of State, Investors Education Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.
2. The Respondent is FINED in this matter in the amount of five thousand dollars (\$5,000.00), payable to the Office of the Secretary of State, Investors Education Fund, and on May 10th 2006, has submitted five thousand dollars (\$5,000.00) in payment thereof.

ENTERED: This 11th day of May, 2006



JESSE WHITE
Secretary of State
State of Illinois