

1 Department of Real Estate  
2 107 South Broadway, Room 8107  
3 Los Angeles, California 90012

4 (213) 897-3937

FILED  
OCT 28 1997  
DEPARTMENT OF REAL ESTATE

By K. Fiederholt

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \* \*

|                             |   |                        |
|-----------------------------|---|------------------------|
| 11 TO:                      | ) | No. H-27319 LA         |
|                             | ) |                        |
| 12 CRAIG H. MORSE, dba      | ) |                        |
| 13 Mortgage Express and dba | ) | <u>ORDER TO DESIST</u> |
| 14 Mortgage Express         | ) |                        |
| 15 Financial Services,      | ) | <u>AND REFRAIN</u>     |
|                             | ) |                        |
|                             | ) |                        |

16 The Real Estate Commissioner of the State of California  
17 (Commissioner) has caused an investigation to be conducted and is  
18 of the opinion that you, CRAIG H. MORSE (MORSE) have violated  
19 Sections 10145 and 10240 of the California Business and  
20 Professions Code (Code) and Sections 2731, 2831.2, 2840, 2950 and  
21 2951 of Title 10, Chapter 6, California Code of Regulations  
22 (Regulations) and Section 17403.4 of the California Financial  
23 Code.

24 I

25 At all times herein mentioned, you, MORSE, were and  
26 still are licensed by the Department as a real estate broker. You  
27 were first licensed as a real estate broker on October 16, 1992.



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II

At all times mentioned, in the City of Westlake Village, Los Angeles County, California, you have acted as a real estate broker, within the meaning of Section 10131(d), soliciting lenders and borrowers or negotiating loans secured directly or collaterally by liens on real property, on behalf of others for compensation or in expectation of compensation and for fees often collected in advance. In addition, you conducted broker controlled escrows under the exemption set forth in Section 17006(a)(4) of the California Financial Code.

III

On December 12, 1996, the Department completed a field audit examination of your books and records pertaining to your licensed activities described in Paragraph II, above, for the period beginning on March 1, 1994, and ending on October 25, 1996. The audit revealed violations of the Code and the Regulations as set forth in the following paragraphs.

IV

At all times mentioned, in connection with your real estate activities described in Paragraph II, you accepted or received funds in trust (trust funds) from or on behalf of borrowers and lenders, and thereafter made disposition of such funds. You maintained the following trust account, as the depository of certain of said funds at the Wells Fargo Bank, 11836 San Vicente, Los Angeles, California:

"Craig Morse Escrow Trust Account  
DBA Mortgage Express Financial Services  
Account Number 0219-736071"



V

With respect to the trust funds referred to in Paragraph IV, you:

(a) failed to perform a monthly reconciliation of all trust funds received and deposited in the escrow trust account, with the balance of all separate beneficiary or transaction records, in violation of Section 10145 of the Code and Sections 2831.2 and 2951 of the Regulations.

VI

The investigative audit revealed that you used the fictitious business name of "Mortgage Express" to conduct mortgage loan brokerage activities and broker-controlled escrows without holding a license bearing that fictitious business name in violation of Section 2731 of the Regulations.

VII

In connection with the activities described above in Paragraph II, you failed to have Mortgage Loan Disclosure Statements signed by borrowers Agarwal, Caine, Krendell, Ortega/Villanueva, Silenzzi, Anderson and Carter within three business days of the signing of the loan application, in violation of Section 10240 of the Code and Section 2840 of the Regulations.

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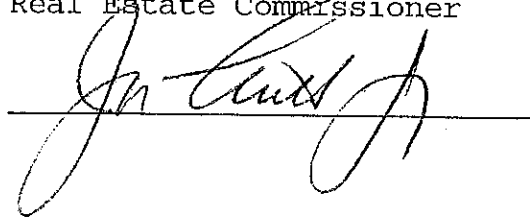
VIII

The investigative audit also revealed that you failed to provide escrow instructions that contained a statement which included your name as the licensee and the State of California department issuing the license or authority under which you operated your escrow company or companies. Moreover, nor did you provide disclosure in your escrow instructions or your financial and ownership of said escrow, in violation of Section 2950 of the Regulations and Section 17403.4 of the California Financial Code.

NOW, THEREFORE, YOU, CRAIG H. MORSE, ARE ORDERED TO DESIST AND REFRAIN from any and all conduct requiring a real estate license unless and until you comply with Sections 10145 and 10240 of the California Business and Professions Code, Sections 2731, 2831.2, 2840 and 2951 of the California Code of Regulations, and Section 17403.4 of the California Financial Code.

DATED 10/17, 1997.

JIM ANTT, JR.  
Real Estate Commissioner



cc: Craig H. Morse  
5655 Lindero Canyon Road  
Westlake Village, CA 91362

EM:MA

