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1 Department of Real Estate
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2 Los Angeles, California 90013

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FILED

JUL - 6 2010

DEPARTMENT OF REAL ESTATE
BY: [Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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11 To:		No. H-36715 LA
12	MORRIS FINANCIAL SERVICES)	<u>ORDER TO DESIST</u>
13	INC., doing business as)	<u>AND REFRAIN</u>
14	Priam Financial Services;)	(B&P Code Section 10086)
15	and GREGORY SCOTT MORRIS,)	
16	individually, and as desig-)	
17	nated officer for Morris)	
	Financial Services Inc.,)	
)	
)	
)	

18 The Commissioner ("Commissioner") of the California
 19 Department of Real Estate ("Department") caused an investigation
 20 to be made of the activities of MORRIS FINANCIAL SERVICES INC.
 21 ("MORRIS FINANCIAL"), and doing business as Priam Financial
 22 Services, and GREGORY SCOTT MORRIS ("MORRIS"). Based on that
 23 investigation the Commissioner has determined that MORRIS
 24 FINANCIAL and MORRIS have engaged in or are engaging in
 25 activities, including engaging in the business of claiming,
 26 demanding, charging, receiving, collecting or contracting for the
 27

1 collection of an advance fee in connection with employment
2 undertaken to promote the sale or lease of real property or to
3 obtain a loan or loans on real property, and including the
4 performance of loan negotiation and loan modification services
5 with respect to loans which are secured by liens on real
6 property, all within the meaning of California Business and
7 Professions Code ("Code") Section 10131.2. In connection with
8 said activities, the Commissioner has determined that MORRIS
9 FINANCIAL and MORRIS have engaged in activities which constitute
10 violations of the Code and Title 10, California Code of
11 Regulations ("Regulations"). Based on the investigation, the
12 Commissioner hereby issues the following Findings of Fact,
13 Conclusions of Law, and Desist and Refrain Order under the
14 authority of Section 10086 of the Code.

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16 FINDINGS OF FACT

17 1. MORRIS FINANCIAL is presently licensed and/or has
18 license rights under the Real Estate Law (Part I of Division 4 of
19 the Code) as a real estate corporation.

20 2. MORRIS is presently licensed and/or has license
21 rights under the Real Estate Law as a real estate broker, and is
22 the designated broker officer for MORRIS FINANCIAL.

23 3. Whenever acts referred to below are attributed to
24 MORRIS FINANCIAL, those acts are alleged to have been done by
25 MORRIS FINANCIAL, acting by itself, or by and/or through one or
26 more agents, associates, affiliates, and/or co-conspirators,
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1 including but not limited to MORRIS, and using the name Priam
2 Financial Services or any fictitious name unknown at this time.

3 4. MORRIS FINANCIAL and MORRIS engaged in the business
4 of claiming, demanding, charging, receiving, collecting or
5 contracting for the collection of an advance fee, as defined by
6 Code Section 10026, including but not limited to the activities
7 described, below.

8 a. On or about November 8, 2008, Respondents MORRIS
9 FINANCIAL and MORRIS, using the fictitious business name "Priam
10 Financial Services," collected an advance fee of \$1,995 from Dr.
11 Maha Hetata pursuant to the provisions of a written agreement
12 pertaining to loan modification services to be provided by
13 Respondent with respect to a loan secured by the real property
14 located at 10220 Overhill Drive, Santa Ana, California 92705.

15 b. On or about December 22, 2008, Respondents MORRIS
16 FINANCIAL and MORRIS, using the fictitious business name "Priam
17 Financial Services," collected an advance fee of \$1,500 from Raul
18 San Jose pursuant to the provisions of a written agreement
19 pertaining to loan modification services to be provided by
20 Respondent with respect to a loan secured by the real property
21 located at 8300 Topeka Drive, Northridge, California 91324.

22 c. On or about January 5, 2009, Respondents MORRIS
23 FINANCIAL and MORRIS, using the fictitious business name "Priam
24 Financial Services," collected an advance fee of \$1,500 from
25 Glenn and Deanna Luttrell pursuant to the provisions of a written
26 agreement pertaining to loan modification services to be provided
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1 by Respondent with respect to a loan secured by the real property
2 located at 34333 Via Buena Drive, Yucaipa, California 92399.

3 5. MORRIS FINANCIAL and MORRIS failed to submit the
4 advance fee agreements referred to in Paragraph 4, above, to the
5 Commissioner ten days before using it.

6 CONCLUSIONS OF LAW

7 6. Based on the information contained in Paragraph 4,
8 above, the written agreement constitutes an advance fee agreement
9 within the meaning of Code Section 10085.

10 7. Based on the information contained in Paragraphs 4
11 and 5, above, the failure by MORRIS FINANCIAL and MORRIS to
12 submit the advance fee agreement to the Commissioner ten days
13 before using it constitutes a violation of Code Section 10085
14 and Section 2970 of the Regulations.

15 DESIST AND REFRAIN ORDER

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17 Based upon the FINDINGS OF FACT and CONCLUSIONS OF LAW
18 stated herein, it is hereby ordered that MORRIS FINANCIAL
19 SERVICES INC., doing business as Priam Financial Services, and
20 GREGORY SCOTT MORRIS, whether doing business under their own
21 names, or any other names, or any fictitious name, ARE HEREBY
22 ORDERED to:

23 1. Immediately desist and refrain from charging,
24 demanding, claiming, collecting and/or receiving advance fees,
25 as that term is defined in Section 10026 of the Code, in any
26 form, and under any conditions, with respect to the performance
27 of loan modification or any other form of mortgage loan

1 forbearance services in connection with loans on residential
2 property containing four or fewer dwelling units (Code Section
3 10085.6).

4 2. Immediately desist and refrain from charging,
5 demanding, claiming, collecting and/or receiving advance fees, as
6 that term is defined in Section 10026 of the Code, for any other
7 real estate related services offered to others, unless and until
8 MORRIS FINANCIAL SERVICES INC. and GREGORY SCOTT MORRIS, and each
9 of them, demonstrate and provide evidence satisfactory to the
10 Commissioner that each:

11 (a) has an advance fee agreement which has been
12 submitted to the Department and which is in compliance with
13 Section 10085 of the Code and Section 2970 of the Regulations;

14 (b) has placed all previously collected advance fees
15 into a trust account for that purpose and is in compliance with
16 Section 10146 of the Code; and

17 (c) has provided an accounting to trust fund owner-
18 beneficiaries from whom advance fees have previously been
19 collected in compliance with Code Section 10146 and Section 2972
20 of the Regulations.

21
22 DATED: 6/28, 2010.

23
24 JEFF DAVIS
25 Real Estate Commissioner
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27

1 cc: Morris Financial Services Inc.
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