

2.

On January 29, 2013, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents' default were entered herein.

3.

From September 28, 2007, through September 27, 2011, Respondent WESTERN SAVINGS, INC. ("WSL") was licensed by the Department of Real Estate ("Department") as a corporate real estate broker, Department ID 01823539. On July 21, 2011, the Department indefinitely suspended WSL's license in Department Case No. R-4542. On September 27, 2011, WSL's corporate real estate broker license expired. The Department retains jurisdiction pursuant to Business and Professions Code ("Code") Section 10103.

4.

From August 17, 2007, through August 16, 2011, Respondent DAVID MORRIS ("MORRIS") was licensed by the Department as a real estate broker, Department ID 01406345. At all times relevant herein, Respondent WSL was authorized to act by and through Respondent MORRIS as its broker designated pursuant to Code Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law. Respondent MORRIS' broker license expired on August 16, 2011. The Departments retains jurisdiction pursuant to Code Section 10103.

5.

On or about September 10, 2009, MORRIS solicited and offered to assist borrowers Gloria and Randy M. with loan modification and negotiation services on behalf of WSL. Gloria and Randy M. entered into a written advance fee agreement with WSL for loan modification and negotiation services in connection with a loan secured by a lien on real property. Gloria and Randy M. paid an advance fee of \$1,500 to WSL for loan modification and negotiation services. Respondents made misrepresentations to Gloria and Randy M. in order to induce them to enter into the advance fee agreement including, among others, that Respondents would refund part or all of the advance fee paid if Respondents failed to obtain a loan modification for Gloria and Randy M. Respondents failed to perform the loan modification and negotiation services that had been promised to

Gloria and Randy M. Respondents failed to provide an accounting of any services done for Gloria and Randy M. or an accounting of the advance fees collected from Gloria and Randy M. Respondents refused Gloria and Randy M.'s request for a refund of their advance fee.

DETERMINATION OF ISSUES

1.

Respondents collected the advance fees described in Paragraph 5, above, pursuant to the provisions of a written agreement which constitutes an advance fee agreement within the meaning of Code Section 10085.

2.

Respondents failed to submit the written agreement referred to in Paragraph 5, above, to the Commissioner ten days before using it, in violation of Code Section 10085 and Section 2970, Title 10, California Code of Regulations ("Regulations").

3.

Respondents failed to comply with the requirements for handling of advance fees, in violation of Code Section 10146.

4.

The conduct, acts and/or omissions of Respondents as set forth above are in violation of Code Sections 10085 and 10146 and Regulation Section 2970 and constitute grounds for the suspension or revocation of the licenses and license rights of Respondents WSL and MURPHY pursuant to Code Sections 10177(d) and 10177(g).

5.

Respondents' conduct, acts and/or omissions as set forth above constitute grounds for the suspension or revocation of the license and license rights of Respondents WSL and MURPHY pursuant to Code Sections 10176(a) (making any substantial misrepresentation), 10176(b) (making any false promises of a character likely to influence, persuade or induce), 10176(i) (conduct which constitutes fraud or dishonest dealing), 10177(d) (violation of the Real Estate Law), and 10177(g) (negligence).

6.

The conduct, acts and/or omissions of Respondent MORRIS, in allowing Respondent WSL to violate the Real Estate Law, as set forth above, constitutes a failure by Respondent MORRIS, as the officer designated by the corporate broker licensee, to exercise the supervision and control over the activities of Respondent WSL, as required by Code Section 10159.2 and Regulation 2725, and is cause to suspend or revoke the real estate license and license rights of Respondent MORRIS under Code Section 10177(h).

7.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

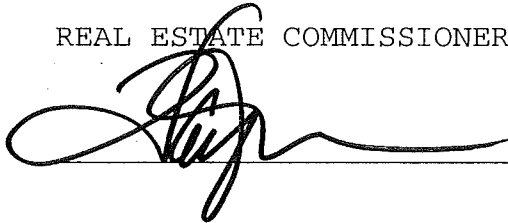
ORDER

The licenses and license rights of Respondents WESTERN SAVINGS, INC. and DAVID MORRIS, individually and as designated officer of Western Savings, Inc., under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on April 9, 2013.

DATED: March 18, 2013.

REAL ESTATE COMMISSIONER

A handwritten signature in black ink, appearing to be 'D. J. ...', written over a horizontal line.

