

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62890 / September 10, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-14042

<p>In the Matter of</p> <p style="padding-left: 40px;">BRAD A. MORRICE, ESQ.,</p> <p style="padding-left: 40px;">Respondent.</p>	<p>⋮</p>	<p>ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO RULE 102(e) OF THE COMMISSION’S RULES OF PRACTICE, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS</p>
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I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Brad A. Morrice, Esq. (“Morrice” or “Respondent”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.3. below, which are admitted, Respondent

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Morrice, age 53, is a resident of Laguna Beach, California. Morrice co-founded New Century Financial Corporation ("New Century") in 1995 and was its president (1995 to June 2007) and CEO (July 2006 to June 2007). Morrice is and has been an attorney licensed to practice in the State of California since 1982.
2. New Century was a real estate investment trust with its principal executive offices in Irvine, California. New Century's stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 ("Exchange Act") and traded on the New York Stock Exchange until it was delisted on March 13, 2007. On April 2, 2007, New Century filed for Chapter 11 bankruptcy protection. On July 15, 2008, the bankruptcy court entered an order confirming a liquidation plan effective August 1, 2008, which provided for the transfer of all remaining assets to a liquidating trust for the benefit of unsecured creditors. After all distributions have been made, the liquidating trustee will file a certificate of dissolution on behalf of New Century.
3. On December 7, 2009, the Commission filed a complaint against Morrice in SEC v. Morrice, Civil Action No. CV 09-1426 DDP (FMOx), in the United States District Court for the Central District of California. On August 13, 2010, a final judgment was entered by consent against Morrice, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), and Sections 10(b) and 13(b)(5) of the Exchange Act, 15 U.S.C. §§ 78j(b) and §78m(b)(5), and Rules 10b-5, 13b2-2, and 13a-14 thereunder, 17 C.F.R. §§ 240.10b-5, 240.13b2-2, and 240.13a-14, and from aiding and abetting violations of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-11, and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-11, and 240.13a-13.
4. The Commission's complaint alleges, among other things, that New Century's second and third quarter 2006 Forms 10-Q and two late 2006 private stock offerings contained false and misleading statements regarding its subprime mortgage business. The complaint further alleges that Morrice knew about certain negative trends from reports he received and that he participated in the disclosure process, but he did not take adequate steps to ensure that the negative trends were properly disclosed. The complaint alleges that Morrice, by his conduct, violated Section 17(a) of the Securities Act, Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-2 and 13a-14 thereunder, and Section 304(a) of the Sarbanes-Oxley Act of 2002; and aided and abetted New Century's violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-11, and 13a-13 thereunder.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondents' Offer.

A. Accordingly, it is hereby ORDERED, effective immediately, that Morrice is suspended from appearing or practicing before the Commission as an attorney.

B. After three (3) years from the date of this order, Morrice has the right to apply for reinstatement by submitting an affidavit to the Commission's Office of General Counsel truthfully stating, under penalty of perjury, that he has complied with the Order, that he is not subject to any suspension or disbarment as an attorney by a court of the United States or of any state, territory, district, commonwealth, or possession, and that he has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e) of the Commission's Rules of Practice.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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