

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67364 / July 6, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14939

In the Matter of

RAYMOND P. MORRIS,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Raymond P. Morris (“Respondent” or “Morris”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

Morris was the sole owner of E & R Holdings, LLC (“E & R Holdings”), Wise Financial Holdings, LLC (“Wise Financial”), and Momentum Leasing, LLC (“Momentum”). Morris has never been registered with the Commission in any capacity and has never been licensed to sell securities. During the time in which he engaged in the conduct underlying the complaint described below, Morris acted as a broker or dealer. He solicited investors for E & R Holdings, Wise Financial and Momentum, none of which registered any offering of their securities under the Securities Act of 1933 (“Securities Act”), or a class of securities under the Exchange Act. Morris, age 44, is a Utah resident.

B. ENTRY OF THE INJUNCTION

1. On June 4, 2012, a final judgment was entered against Morris, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Morris, et al., Civil Action Number 2:11-CV-00021, in the United States District Court for the District of Utah Central Division. Morris was ordered to pay disgorgement of \$65,061,909, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$17,731,048.05, and a civil penalty of \$150,000 to the Securities and Exchange Commission.

2. The Commission's complaint alleged that from at least March 2007 through January 2009, Morris, through his entities E & R Holdings, Wise Financial, and Momentum, offered and sold promissory notes to investors in unregistered, non-exempt transactions by making material oral and written misrepresentations to investors and omitting material information in order to raise approximately \$60 million in investor funds. Morris told investors their investment was safe and high returns were guaranteed. Morris told investors their principal would be deposited in a secure account and would only be used to verify deposits. Despite these representations, Morris used investor money to support his extravagant lifestyle, to make Ponzi payments to some investors and otherwise engaged in a variety of conduct which operated as a fraud and deceit on investors. The Commission's complaint also alleged the Morris acted as an unregistered broker or dealer.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary