

1 STATE OF CALIFORNIA  
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
3 DEPARTMENT OF CORPORATIONS

4 TO: Morris Alexander Gussin  
5 Beverly Hills Financial Services, Inc.  
6 150 South Los Robles Avenue, Ste. 480  
7 Pasadena, CA 91101

8 DESIST AND REFRAIN ORDER

9 (For violations of section 25401 of the Corporations Code)

10 The California Corporations Commissioner finds that:

11 1. At all relevant times herein, Morris Alexander Gussin (“Gussin”) was an officer of  
12 Beverly Hills Financial Services, Inc.(“BHFS”), a suspended California corporation located at 150  
13 South Los Robles Avenue, Ste. 480, Pasadena, CA 91101.

14 2. Beginning in around September 2001 and continuing through at least December 2007,  
15 Gussin through BHFS offered and sold securities in the form of investment contracts titled U.S.  
16 Government Security Trust, which were comprised of pooled investor money that Gussin said he  
17 would use to invest in marketable securities and insurance products. Gussin obtained investment  
18 money by soliciting friends and their family members, by offering a 6%-9% guaranteed rate of return  
19 per year on investments. Gussin through BHFS offered and sold securities to at least eleven investors  
20 in excess of \$2,000,000.

21 3. In connection with the offer and sale of these securities, Gussin and BHFS made, or  
22 caused to be made, misrepresentations of material fact or omitted to state material facts necessary in  
23 order to make the statements made, in the light of the circumstances under which they were made, not  
24 misleading. These misrepresentations and omissions included, but are not limited to the following:

25 a. Gussin misrepresented to investors that the investment would earn a  
26 guaranteed rate of return between 6%-9% per year;

27 b. Investors were not told that they were investing in a ponzi scheme and that any  
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1 returns received on their investment money came from other investor money and not from any  
2 investment returns;

3 c. Investors were not told that their money was to be used for Gussin’s own  
4 personal use constituting misuse of investor funds; and

5 d. Investors were not told that BHFS’s corporate status had been suspended.

6 Based on the foregoing findings, the California Corporations Commissioner is of the opinion  
7 that the securities offered and sold by Gussin through BHFS were offered and sold in this state by  
8 means of written or oral communications that included untrue statements of material fact or omitted  
9 to state material facts necessary in order to make the statements made, in the light of the  
10 circumstances under which they were made, not misleading, in violation of section 25401 of the  
11 Corporate Securities Law of 1968.

12 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Morris Alexander Gussin  
13 and Beverly Hills Financial Services, Inc. are hereby ordered to desist and refrain from offering or  
14 selling or buying or offering to buy any security in the State of California, including, but not limited  
15 to, investment contracts by means of any written or oral communication which includes an untrue  
16 statement of a material fact or omits to state a material fact necessary in order to make the statements  
17 made, in the light of the circumstances under which they were made, not misleading.

18 This Order is necessary, in the public interest, for the protection of investors and consistent  
19 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

20 Dated: July 14, 2010  
21 Los Angeles, California

22 PRESTON DuFAUCHARD  
23 California Corporations Commissioner

24 By \_\_\_\_\_  
25 ALAN S. WEINGER  
26 Deputy Commissioner  
27 Enforcement Division  
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