



# **NEWS RELEASE**

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For immediate release:  
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## **DCBS announces settlement with former Living Enrichment Center leader Mary Manin Morrissey and Edward Morrissey in securities case**

The director of the Department of Consumer and Business Services, Cory Streisinger, announced today an agreement with Mary Manin Morrissey and Edward Morrissey resolving allegations of violations of state securities laws. This agreement was reached in conjunction with the U.S. Attorney's Office in Portland.

The consent limited judgment, which requires restitution of more than \$10 million to investors, the imposition of civil penalties, payment of attorneys' fees and investigative costs, and injunctive relief, was filed today in Multnomah County Circuit Court. A plea agreement with Edward Morrissey was also reached between him and the U.S. Attorney's Office.

As part of this settlement, neither of the Morrisseys may offer or sell securities. Further, Edward Morrissey agreed to plead guilty to a single federal count of money laundering. The plea agreement reached between Edward Morrissey and the U.S. Attorney's Office calls for the government to recommend a 36-month sentence, but that recommendation is not binding on the court.

DCBS alleged violations of state securities laws including unlicensed activity, sale of unregistered products, and fraud in connection with the offer and sale of securities. DCBS contends that many congregants of the Living Enrichment Center (LEC) invested money in promissory-note programs and the purchase of stock in entities controlled by either or both of the Morrisseys.

"The investigation and resolution of this case reflect the strong working relationship between state and federal authorities," Streisinger said. "Cases like this one should remind people that basing investments on trust and personal relationships is not a substitute for conducting their own due diligence before investing."

Streisinger reminds Oregonians that due diligence begins with calling the Division of Finance and Corporate Securities to check out the investment and the people offering the investment before making a decision to invest.

Anyone who may be owed restitution from this settlement may contact Rob Brunner, investigator for DCBS, (503) 947-7855. Questions concerning the federal component of the settlement may be referred to Assistant United States Attorney Allan M. Garten, chief of the White Collar Crimes Unit, (503) 727-1043.

(List of remedies attached.)

Remedies, Case of Mary Manin Morrissey and Edward Morrissey, Living Enrichment Center, 4/06/05

- Restitution of over \$10 million is due to investors. The consent decree is generally structured to provide for a garnishment of wages, payment of income not included in wages, and a minimum payment in the event there is no income.
- Restitution will be made through an escrow agent. A down payment of \$50,000 is due in full by October 15, 2005, with incremental payments due at 90 and 120 days prior to that.
- There is an injunction against Ed Morrissey and Mary Manin Morrissey prohibiting them from selling securities, acting as officers for any issuers, or serving as directors or other officers of nonprofit organizations.
- Civil penalties totaling \$200,000 were imposed, of which \$150,000 is suspended so long as the consent judgment is complied with. The amount not suspended, \$50,000, is due in full by December 31, 2005, with incremental payments due 90 and 120 days prior to that.
- Attorneys fees and investigative costs in the amount of \$7,500, are due in December 31, 2005.

DCBS imposed compliance reporting provisions and retains the ability to obtain documents and talk to individuals concerning compliance with the judgment.

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