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BBB BUSINESS REVIEW BETA TEST OF NEW REVIEW FORMAT -- PLEASE SHARE YOUR FEEDBACK

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What is a BBB Business Review?

THIS BUSINESS IS NOT BBB ACCREDITED

Morgan Drexen

(800) 868-1458

 1600 South Douglas Road, Suite 100, Anaheim, CA 92806
<http://www.morgandrexen.com>
F On a scale of A+ to F
 Reason for Rating
[BBB Ratings System Overview](#)
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Description

This company's business is providing debt negotiation services and loan modification.

BBB Accreditation

This business is not BBB Accredited.

Businesses are under no obligation to seek BBB accreditation, and some businesses are not accredited because they have not sought BBB accreditation.

To be accredited by BBB, a business must apply for accreditation and BBB must determine that the business meets BBB accreditation standards, which include a commitment to make a good faith effort to resolve any consumer complaints. BBB Accredited Businesses must pay a fee for accreditation review/monitoring and for support of BBB services to the public.

Reason for Rating

BBB rating is based on 16 factors. Get the details about the factors considered.

 Factors that *lowered* this business's rating include:

- > BBB concerns with the industry in which this business operates
- > Length of time business has been operating
- > 210 complaint(s) filed against business
- > Failure to respond to 5 complaint(s) filed against business
- > 33 complaint(s) filed against business that were not resolved
- > 42 serious complaint(s) filed against business
- > Overall complaint history with BBB
- > Government action(s) against business
- > Business has failed to resolve underlying cause(s) of a pattern of complaints

 Factors that *raised* this business's rating include:

- > BBB has sufficient background information on this business

Customer Complaints Summary

209 complaints closed with BBB in last 3 years | 101 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising / Sales Issues	31
Billing / Collection Issues	24
Problems with Product / Service	154
Delivery Issues	0
Guarantee / Warranty Issues	0
Total Closed Complaints	209

Additional Complaint Information

Complainants allege unfulfilled contracts, and inability to obtain refunds when services are not performed. Some customers complain that although monthly deductions are automatically withdrawn from their bank accounts, their debts remain unsettled, and their creditors continue to contact them. Other complainants allege calls to the company to check the status of their case result in the run around, or that the company fails to provide disclosures on where their funds are being held. In some cases, complainants report they have not been given an actual contract, but instead the company uses a recorded message that outlines the terms of the agreement. A few customers complain they receive repeated solicitation calls from the company in violation of the "Do Not Call" law. Most complainants request refunds. The company responds to some complaints by advising the complainant that they do not provide debt settlement services to consumers or contract with consumers for such service. The company claims they provide support services to law firms, one of which this consumer may have engaged. In some cases they respond by advising the complainant that the third party attorney has authorized them to make settlement offers. In a few cases the company agreed to issue refunds or partial refunds, or to remove customers names from their calling lists. Some complaints are unresolved meaning the company failed to properly address the complaint allegations or their response was inadequate.

[Complaint Details](#) | [Definitions](#) | [BBB Complaint Process](#) | [File a Complaint](#)

Government Actions

Agency: Attorney Generals where no BBB (AG)

Description: On May 23, 2011, the West Virginia Attorney General's office filed suit in the Circuit Court of Kanawha County to ban this company from conducting business in the state. The suit names as defendants Morgan Drexen's principal owner Walter J. Ledda, attorneys Lawrence W. Williamson of Kansas and Rachelle McIntyre-Nicholson of West Virginia, and the California law firm of Vincent Howard and Damian Nassiri.

According to the Attorney General, this company claims to be an attorney support services company, providing paralegal and paraprofessional services to attorneys across the country who offer debt settlement services. The State alleges that the company was actually selling debt settlement services to West Virginia consumers by misrepresenting that the services were being provided by lawyers. Lawyers licensed to practice law in West Virginia are exempt from some state regulations governing the debt settlement industry.

The defendants maintain that they can avoid applicable state debt collection laws and charge higher fees than normally allowed by linking their operations to licensed lawyers, who attempt to get creditors to accept less than what is owed on outstanding debts. The Attorney General contends that these "enrollment lawyers" do no substantive work and are merely renting out their licenses to Morgan Drexen.

In the complaint, the Attorney General asked the Court to enjoin the out-of-state lawyers from practicing law in West Virginia and cease operation of their unfair and deceptive debt settlement business. The case is currently pending.

 To report a scam or file a complaint, West Virginians can reach the Attorney General's Office online at www.wvago.gov or by calling the Consumer Protection Hotline at 1-800-368-8608.

Date of Action: 5/23/2011

What government actions does BBB report on?

Advertising Review

On June 2, 2011 we wrote to this company concerning a questionable television commercial brought to our attention by the Cincinnati BBB. The commercial ran on Friday, May 21, 2011 at approximately 5:20 pm on the local CW affiliate. The commercial in part stated that consumers who call will receive a free credit report. We asked the company to tell us how consumers can receive a free credit report by calling the company. We also asked if restrictions such as agreeing to services are a condition of receiving the credit report. In addition, the commercial also displays the words, "Erase Bad Credit." We believe it is wrong to lead consumers to believe that bad credit can be magically erased. Erroneous information can be removed if challenged, however, any valid entries will remain on the file regardless of whether the debt is paid or not. In the interest of business self regulation, we have asked the company to consider revising their commercial to avoid any potential misunderstandings by their customers. The company has been given 10 days to respond.

What is BBB Advertising Review?

Additional Information

 BBB file opened: 7/30/2007
 Business started: 8/31/2007

Contact Information

Walter Ledda - President

 Chas Bain (Director/Treasurer)
 Customer Service ()
 Jeffrey Katz (General Counsel)
 Justin Kruitbosch (Paralegal)
 L. Effer (Assistant to CEO)

Business Category

Debt Relief Services - non-compliant with FTC Rule

Alternate Business Names

 Morgan Drexen
 Morgan Drexen Integrated Legal Systems
 Williamson Law Firm

Industry Tips

This company claims to provide support services to law firms in the debt settlement industry. Although the company contends they do not provide debt settlement services to consumers or contract with consumers for such service, their customers disagree. Customers report the company makes monthly deductions from their bank accounts claiming the funds are saved until a sufficient amount is reached to make settlement offers to their creditors. Some report the company uses a recorded message as a contract, and the location of the escrow account holding their money is not disclosed.

Our experience with debt negotiating companies is that they attract heavily indebted clients by claiming to be able to settle the clients' debts for far less than the amount owed and to stop creditors' calls. They often claim, also, that their services are more effective than those provided by credit counseling services.

These companies usually instruct their clients to stop paying their creditors. Some companies direct them to make their payments to the debt negotiation company instead and promise, when the company has accumulated enough to offer a cash settlement to one or more creditors (which can take as long as two or three years), to pay off the debt. The debtor must pay fees to the service during the time the payments are accumulating.

Other companies simply collect the fees and advise debtors to save their money to pay their creditors themselves. California law limits the amount of fees debt negotiators can charge you, but by not collecting the money and distributing it to your creditors for you, companies can remove themselves from the limiting statutes and charge whatever they wish. What they are supposed to do for you while you're saving up your money is to contact your creditors and inform them that they're working with you, negotiate the amount to settle your debt, and ask them stop contacting you.

However the company operates, though, complainants allege that creditors continue to harass them, fees and interest continue to accumulate, the companies do not contact the creditors, creditors increase their collection efforts and sometimes sue for payment, the debtor's credit is ruined, and they end up worse than before they contacted the service.

Debtors may not realize that if their creditors do accept a negotiated settlement, the amount forgiven constitutes taxable income.

