

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



DEPARTMENT OF BUSINESS REGULATION

DIVISION OF BANKING

1511 Pontiac Avenue, Building 69-2

Cranston, Rhode Island 02920

Telephone (401) 462-9503

IN THE MATTER OF:

FREEDOM FINANCIAL NETWORK, LLC
A/K/A FREEDOM DEBT RELIEF

CONSENT ORDER

I. Introduction

The Rhode Island Department of Business Regulation (“Department”) and Freedom Financial Network, LLC, a/k/a Freedom Debt Relief (Respondent) agree as follows:

1. Respondent is a company located at 1875 S. Grant Street, Suite 450, San Mateo, CA 94402-2676 that has been in business since March 6, 2003.

2. On November 15, 2007 the Department issued Order Number 07-334 dated November 14, 2007 that directed Respondent to cease and desist unlicensed debt management plan activities (the “Order”). The Order included a notice to impose administrative penalties with respect to the unlicensed activities conducted by Respondent. In response to the Order, Respondent stopped accepting new customers in Rhode Island and notified the Department of its intention to cooperate fully in the Department’s investigation.

3. On December 14, 2007 the Department received from Respondent a written request for a hearing on the Order along with information on debt management services provided by

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Respondent for residents of Rhode Island. Included in this information was a list of the names of thirty-eight (38) residents of Rhode Island to whom Respondent provided debt management services.

4. Respondent voluntarily agreed to continue serving said Rhode Island resident customers on a complimentary basis in the interest of said customers.

5. The Department proposes to settle this matter in lieu of commencing an administrative action to enforce the penalties provided for in R. I. Gen. Laws §§ 19-14-26 and 19-14.8-33.

II. Settlement Agreement

In consideration of the foregoing and the mutual promises set forth herein, and to resolve all known outstanding violations Respondent acknowledges and waives its right to further notice of the Department's assertion that Respondent's actions violated R. I. Gen. Laws §§ 19-14-2 and 19-14.8-4 which violations could result in additional monetary penalties of up to ten thousand dollars (\$10,000) per violation and the imposition of criminal and civil sanctions pursuant to R. I. Gen. Laws §§ 19-14-26, 19-14.8-25, 19-14.8-32, and 19-14.8-33. Respondent hereby waives its right to complete the hearing process, admits that the allegations in Paragraphs 1 through 5 of the Introduction above are true, and affirms that upon executing this Consent Order, Respondent shall:

1. Comply fully with R. I. Gen. Laws §§ 19-14-2 and 19-14.8-1 *et seq.* and any applicable rules and regulations promulgated under R. I. Gen. Laws Title 19; and

2. Maintain a compliance officer and compliance program to monitor compliance to all applicable state and federal laws and regulations.

3. Respondent shall file with the Division a certified copy of a resolution of the board of directors or substantially equivalent governing body of Respondent that identifies Bradford Stroh and Andrew Houser as the persons authorized to execute this Consent Order.

4. Respondent shall file with the Division documentary evidence that it has refunded all funds received from the consumer referenced in the Respondents response to a complaint dated September 21, 2007.

5. Respondent shall file with the Division documentary evidence that refunds have been made to each of the thirty-eight (38) Rhode Island individuals reference herein. The aggregate amount of said refunds to be Thirty-eight thousand Four Hundred Seventy Dollars and sixty six Cents (\$38,470.66).

6. Respondent shall, upon signing this Consent Agreement, pay an administrative assessment in the aggregate amount of Thirty-Nine Thousand Eighty-Five Dollars (\$39,085) to the Department by check made payable to the General Treasurer, State of Rhode Island¹, of which One Thousand Eighty-Five Dollars (\$1,085) represents an examination fee.

III. Reservation of Rights

1. The Division agrees to issue a Rhode Island Debt-Management Services license to Respondent subject to compliance by Respondent with this Consent Order and the usual terms and conditions pertaining to the approval of an application for the license.

2. The Department reserves its rights to further adjudicate, through the administrative hearing process, the facts in this matter should it receive information related to the allegations in the Notice and/or violation of the terms of this Consent Order and/or any information which may implicate other violations by Respondent herein subject to the Respondent's right to a hearing.

THIS CONSENT ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT

¹ Payee must be the "General Treasurer, State of Rhode Island". Checks with incorrect payee will be returned for re-issuance.

SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE EXECUTION OF THIS CONSENT ORDER. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.

HOWEVER, RESPONDENT UNDERSTANDS THAT BY WAIVING IT'S RIGHT TO A COMPLETE HEARING AND AGREEING TO THIS ORDER, THE ABOVE RIGHTS ARE WAIVED AND IF ANY TERMS OF THIS ORDER ARE VIOLATED, RESPONDENT'S SHALL BE SUBJECT TO FURTHER ADMINISTRATIVE PENALTIES.

Respondent:

[Handwritten Signature]

Date: 7.13.09

By: Bradford Stroh
Founder and Co-CEO

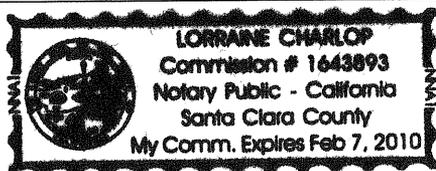
STATE OF California

COUNTY OF [San Mateo]

In San Mateo, in said County, on the 14th day of July, 2009 before me personally appeared the above-named Bradford Stroh, to me known and known by me to be the Founder and Co-CEO of Freedom Financial Network, LLC, a/k/a Freedom Debt Relief, the party executing the foregoing instrument, and he acknowledged said instrument by him so executed to be his free act and deed as such Founder and Co-CEO and the free act and deed of said Freedom Financial Network, LLC, a/k/a Freedom Debt Relief.

Lorraine Charlop, Notary
(Print or type name of Notary)

[Handwritten Signature]



Andrew Houser

Date: 7/14/09

By: Andrew Houser
Founder and Co-CEO

STATE OF California

COUNTY OF [San Mateo]

In San Mateo, in said County, on the 14th day of July 2009, 2009 before me personally appeared the above-named Andrew Houser, to me known and known by me to be the Founder and Co-CEO of Freedom Financial Network, LLC, a/k/a Freedom Debt Relief, the party executing the foregoing instrument, and he acknowledged said instrument by him so executed to be his free act and deed as such Founder and Co-CEO and the free act and deed of said Freedom Financial Network, LLC, a/k/a Freedom Debt Relief.

Lorraine Charlop, Notary Public *Lorraine Charlop*

Department:
Neena
By: Neena Sinha Savage, Esq.
Chief of Legal Services
Department of Business Regulation

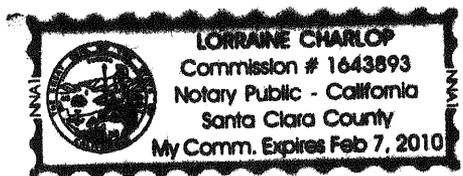
Steven L. Cayouette
By: Steven L. Cayouette, CFE
State Chief Bank Examiner
Department of Business Regulation

Date: 7-15-09

Date: 7-15-09

Catherine W. Warren
By: Catherine W. Warren, Esq.
Hearing Officer
Department of Business Regulation

7/16/09



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ORDER

I hereby _____ approve _____ reject the Consent Order as agreed to by and between the parties in the above entitled matter.

ORDER NUMBER: 09-158

Entered: July 16th, 2009



A. Michael Marques, Director
Department of Business Regulation

CERTIFICATION

I hereby certify that on 16th day of July 2009 a copy of the within Consent and Enforcement Order was emailed and mailed via certified, postage prepaid, to:

Robby H. Birbaum, Esq.
Greenspoon Marder, P.A.
Attorneys at Law
Trade Center South, Suite 700
100 W. Cypress Creek Road
Fort Lauderdale, FL 33309-2140
Robby.Birnbaum@gmlaw.com