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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

6 **BEFORE THE DIRECTOR OF THE DEPARTMENT**
7 **OF CONSUMER AND BUSINESS SERVICES**

8 In the Matter of:

9 **FREEDOM FINANCIAL**
10 **MANAGEMENT, INC. AND**
11 **ALLIANCE 8, INC.;**

12 Respondents.

Case No. DM-11-0116

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
ASSESSING CIVIL PENALTY
ENTERED BY DEFAULT AGAINST
RESPONDENTS FREEDOM
FINANCIAL MANAGEMENT, INC.
AND ALLIANCE 8, INC.

13 On December 19, 2011, the Director of the Department of Consumer and Business
14 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the
15 authority of the Oregon Revised Statutes (“ORS”) 697.602 to 697.842 hereby issued
16 Administrative Order No. DM-11-0116, ORDER TO CEASE AND DESIST,
17 PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF
18 OPPORTUNITY FOR AN ADMINISTRATIVE HEARING (“the Proposed Order”)
19 against Respondents Freedom Financial Management, Inc. (“FFM”) and Alliance 8, Inc.
20 (“Alliance 8”) (referred to jointly as “Respondents”).

21 On December 22, 2011, Respondent Alliance 8 was duly served with a true copy of
22 the Proposed Order by certified United States Mail, postage prepaid, at 2222 Michelson
23 Drive #508, Irvine, California (Item No. 7008 1830 0003 3147 3130). A true copy of the
24 Proposed Order was also sent by regular mail to Alliance 8 at the address noted above.
25 Alliance 8 has not made a written request for a contested case hearing in this matter and
26 time to do so has now expired.

On December 29, 2011, Respondent FFM was duly served with a true copy of the





1 Proposed Order by certified United States Mail, postage prepaid, at 1901 East Alton
2 Avenue, Suite 204, Santa Ana, California (Item No. 7008 1830 0003 3147 3123). A true
3 copy of the Proposed Order was also sent by regular mail to FFM at the address noted
4 above. FFM has not made a written request for a contested case hearing in this matter
5 and time to do so has now expired.

6 NOW THEREFORE, after consideration of the file in this matter maintained by
7 the Oregon Department of Consumer and Business Services, including any materials that
8 Respondents may have submitted, the Director hereby issues the following Findings of
9 Fact, Conclusions of Law, and Final Orders to Respondents FFM and Alliance 8.

10 **I.**

11 **FINDINGS OF FACT**

12 The Director FINDS that:

13 1. FFM is a California corporation with offices located at 1901 East Alton
14 Avenue, Suite 240, Santa Ana, California 92705. FFM conducts business using the
15 assumed business name Freedom Financial Management and also does business using
16 the business names Alliance 8, Inc. Alliance 8 is believed to have a business address of
17 2222 Michelson Drive #508; Irvine, California 92612. FFM maintains the website
18 www.ffmgt.com. Huy Nguyen is the president and principal of Respondents FFM and
19 Alliance 8. The names Freedom Financial Management, Inc. and Alliance 8, Inc. have
20 not been registered as business names with the Oregon Secretary of State. Alliance 8, Inc.
21 was registered with the California Secretary of State as a Nevada corporation, but was
22 surrendered on May 13, 2011. The business name Alliance 8, Inc. is registered as a
23 Nevada corporation with the Nevada Secretary of State.

24 2. At all times relevant to this matter, Respondents FFM and Alliance 8 received
25 money in return for promising to obtain, or attempting to obtain, as an intermediary on
26 behalf of Oregon consumers, concessions from creditors including, but not limited to,



1 reduction in principal, interest, penalties or fees associated with credit card debts.

2 3. Respondents FFM and Alliance 8, by and through their employees, contacted
3 Oregon residents offering to provide debt management services. Respondents FFM and
4 Alliance 8, by and through their employees, contacted Oregon residents by telephone,
5 electronic mail, and United States mail. Respondents FFM and Alliance 8, by and
6 through their employees, directed Oregon residents to view its website.

7 4. Between January 2010 and present, Respondents FFM and Alliance 8 entered
8 into debt management service agreements with at least two Oregon residents.

9 5. In each case, Respondents FFM and Alliance 8 charged their Oregon clients an
10 initial fee in an amount greater than \$50.

11 6. At no time material to this Order was Respondent FFM or Alliance 8 registered
12 in Oregon with the Director as a debt management service provider or licensed with the
13 Director as a mortgage broker, mortgage banker or mortgage loan originator.

14 7. At no time material to this Order did Respondent FFM or Alliance 8 file a
15 bond with the Director as required by Oregon law.

16 II.

17 CONCLUSIONS OF LAW

18 The Director CONCLUDES that:

19 8. Respondents FFM and Alliance 8 performed debt management services as
20 defined by ORS 697.602(2)(d) when they received money in return for obtaining or
21 attempting to obtain, as an intermediary on a consumer's behalf, a concession from a
22 creditor including but not limited to a reduction in the principal, interest, penalties or fees
23 associated with a debt.

24 9. Respondents FFM and Alliance 8 violated ORS 697.612 by engaging in the
25 business of debt management service provider without the required registration with the
26 Director pursuant to ORS chapter 697. Each time Respondents FFM and Alliance 8



1 engaged in the business of debt management service provider without the required
2 registration with the Director is a separate and distinct violation of ORS 697.612.

3 10. Respondents FFM and Alliance 8 violated ORS 697.642(1) by engaging in debt
4 management services without first filing a bond issued by one or more corporate sureties
5 authorized to do business in Oregon. Each time Respondents FFM and Alliance 8
6 performed or attempted to perform a debt management service in Oregon without first
7 filing a bond is a separate and distinct violation of ORS 697.642(1).

8 11. Respondents FFM and Alliance 8 violated ORS 697.692(1)(a) when they
9 charged consumers an initial fee of more than \$50. Each instance Respondents FFM and
10 Alliance 8 charged a consumer an initial fee of more than \$50 is a separate and distinct
11 violation of ORS 697.692(1)(a).

12 **III.**

13 **ORDERS**

14 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

15 *Cease and Desist Order*

16 12. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS
17 Respondents FFM and Alliance 8 to CEASE AND DESIST from violating ORS chapter
18 697 or any applicable Oregon law, rule or order governing debt management service
19 providers.

20 *Order Assessing Civil Penalty*

21 13. Pursuant to the authority of ORS 697.832, the Director may assess a CIVIL
22 PENALTY in an amount of not more than \$5,000 per violation against any person who
23 violates ORS 697.612 or ORS 697.642 to 697.702, rules adopted pursuant to ORS
24 697.632 or any order issued under ORS 697.825.

25 14. Pursuant to ORS 697.832, the Director hereby assesses Respondents FFM and
26 Alliance 8, jointly and severally, a CIVIL PENALTY in the amount of \$30,000 (thirty



1 thousand dollars) as follows:

2 A. A CIVIL PENALTY of \$10,000 (ten thousand dollars) for two violations of the
3 registration provisions of ORS 697.612 by engaging in the business of performing debt
4 management service without the required registration with the Director pursuant to ORS
5 chapter 697;

6 B. A CIVIL PENALTY of \$10,000 (ten thousand dollars) for two violations of
7 ORS 697.642(1) for engaging in debt management services without first filing a bond as
8 required by ORS chapter 697; and

9 C. A CIVIL PENALTY of \$10,000 (ten thousand dollars) for two violations of
10 ORS 697.692(1)(a) for charging consumers an initial fee of more than \$50.

11 15. The entry of this Consent Order in no way limits further remedies which may
12 be available to the Director under Oregon law.

13 IT IS SO ORDERED.

14 Dated this 6th day of February, 2012 at Salem,
15 Oregon, NUNC PRO TUNC December 19, 2011.

16 PATRICK ALLEN, Acting Director
17 Department of Consumer and Business Services

18 /s/ David Tatman
19 David C. Tatman, Administrator
20 Division of Finance and Corporate Securities

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