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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:

**DM-11-0131**

9 **Freedom Group, Inc.**

**FINAL ORDER TO CEASE AND  
DESIST AND FINAL ORDER  
ASSESSING CIVIL PENALTY  
ENTERED BY DEFAULT**

10 Respondent.

11 On December 29, 2011, the Director of the Department of Consumer and Business  
12 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the authority of  
13 the Oregon Revised Statutes (“ORS”) 697.602 to 697.842, issued Administrative Order No. DM-  
14 11-0131, ORDER TO CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL  
15 PENALTY AND NOTICE OF OPPORTUNITY FOR AN ADMINISTRATIVE HEARING (the  
16 “Proposed Order”) against Respondent Freedom Group, Inc. (“Freedom Group”).

17 On December 29, 2011, Freedom Group was duly served with a true copy of the  
18 Proposed Order by certified United States Mail, postage prepaid, Item No. 7008 1830 0003 3147  
19 3246, and by regular first class mail to Freedom Group’s last known address, 9265 Dowdy Drive  
20 #106, San Diego, California 92126. A copy of the Proposed Order was also faxed to Freedom  
21 Group at 1-858-530-0412 and emailed to Freedom Group at corporate@freedomgroupinc.com.

22 The certified mailing sent to Freedom Group was signed for by B. Harvey.

23 On January 6, 2012, a Financial Enforcement Officer for the Oregon Division of Finance  
24 and Corporate Securities (“DFCS”) received an email notification that indicated the email with  
25 the Proposed Order attached sent to corporate@freedomgroupinc.com was read on January 06,  
26 2012. Additionally, the email notification indicated that it was being sent from “David Huffman

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387



1 <david@davidhuffmanconstruction.com> on behalf of David Huffman  
2 <corporate@freedomgroupinc.com>.”

3 Freedom Group has not made a written demand for a contested case hearing in this matter  
4 and time to do so has now expired.

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

9 **I.**

10 **FINDINGS OF FACT**

11 The Director FINDS that:

12 1. Freedom Group is believed to be a California entity with its principal office located at  
13 9265 Dowdy Drive #106, San Diego, California 92126.

14 2. At all times relevant to this matter, Freedom Group held itself out as providing debt  
15 management services as defined by ORS 697.602(2)(d), by receiving money in return for  
16 obtaining or attempting to obtain as an intermediary on a consumer’s behalf a concession from a  
17 creditor including, but not limited to, a reduction in the principal, interest, penalties or fees  
18 associated with a debt.

19 3. At no time material to this Order was Freedom Group registered in Oregon with the  
20 Director as a debt management service provider.

21 4. At no time material to this Order did Freedom Group file a bond with the Director as  
22 required by Oregon law.

23 5. At all times relevant to this matter, an individual identified as “RH” was a resident of  
24 the State of Oregon.

25 6. Between July 2009 and October 2010, RH paid Freedom Group \$330 a month to  
26 receive debt management services.





1 **II.**

2 **CONCLUSIONS OF LAW**

3 The Director CONCLUDES that:

4 7. Freedom Group performed debt management services as defined by ORS  
5 697.602(2)(d) when it received money in return for obtaining or attempting to obtain as an  
6 intermediary on a consumer's behalf a concession from a creditor including, but not limited to, a  
7 reduction in the principal, interest, penalties or fees associated with a debt.

8 8. Freedom Group violated ORS 697.612 by engaging in the business of debt  
9 management service provider without being registered with the Director pursuant to ORS chapter  
10 697.

11 9. Freedom Group violated ORS 697.642(1) when it performed debt management  
12 services without first filing a bond issued by one or more corporate sureties authorized to do  
13 business in Oregon.

14 10. Freedom Group violated ORS 697.692(1)(d) when it charged an Oregon consumer a  
15 fee that exceeded \$65 per month to receive debt management services.

16 **III.**

17 **FINAL ORDERS**

18 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

19 Final Order to Cease and Desist

20 11. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS  
21 Freedom Group, and all entities owned or controlled by Freedom Group, their successors and  
22 assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes  
23 regulating debt management service providers, ORS chapter 697, and any rule, order, or policy  
24 issued by the Director under ORS chapter 697.

25 Final Order Assessing Civil Penalty

26 12. Pursuant to the authority of ORS 697.832, the Director may assess a CIVIL



1 PENALTY in an amount of not more than \$5,000 per violation against any person who violates  
2 ORS 697.602 to 697.842, rules adopted pursuant to ORS 697.632, or any order issued under  
3 ORS 697.825.

4 13. Pursuant to ORS 697.832, the Director hereby assesses Freedom Group a CIVIL  
5 PENALTY in the amount of \$15,000 (fifteen thousand dollars) as follows:

6 A. A CIVIL PENALTY of \$5,000 (five thousand dollars) for violating the registration  
7 provisions of ORS 697.612 by engaging in the business of performing debt management  
8 services without being registered with the Director pursuant to ORS chapter 697;

9 B. A CIVIL PENALTY of \$5,000 (five thousand dollars) for performing debt  
10 management services without first filing a bond as required by ORS 697.642; and

11 C. A CIVIL PENALTY of \$5,000 (five thousand dollars) for charging a monthly fee in  
12 excess of \$65 in violation of ORS 697.692(1)(d).

13 14. The entry of this Order in no way limits further remedies which may be available to  
14 the Director under Oregon law.

15 IT IS SO ORDERED.

16 Dated this 31st day of January, 2012 at Salem, Oregon

17 NUNC PRO TUNC December 29, 2011.

18 PATRICK ALLEN, Acting Director  
19 Department of Consumer and Business Services

20 /s/ David Tatman  
21 David C. Tatman, Administrator  
22 Division of Finance and Corporate Securities

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