

**STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS**

TO: Financial Freedom of America, Inc.
a.k.a. Financial Freedom of America
Corey Todd Butcher, President
8140 Walnut Hill Lane, Suite 204
Dallas, TX 75231

**DESIST AND REFRAIN ORDER
(For violations of section 12200 of the Financial Code)**

The California Corporations Commissioner finds that:

1. Financial Freedom of America, Inc., also known as Financial Freedom of America, is a for-profit entity which incorporated in Texas listing Corey T. Butcher as its President and Director, showing their office located at 8140 Walnut Hill Lane, Suite 204, Dallas, Texas. Financial Freedom of America, Inc. has not filed documents with the California Secretary of State’s Office to do business in California. Financial Freedom of America, Inc. solicits consumers in California via radio advertisements in California, its website www.financialfreedomofamerica.com and toll-free telephone numbers (877) 534-1313 and (800) 764-9694. It describes itself as a debt settlement company that employs qualified account specialists.

2. The above-named entity and individuals, working in concert or in participation with others, engaged in the following activities in violation of the Check Sellers, Bill Payers and Proraters Law pursuant to the California Financial Code section 12000 et seq.

3. The above-named entity offered its services to California consumers by a variety of advertisements including various toll-free phone numbers, radio advertisements and an internet website.

4. Financial Freedom of America, Inc. represents to consumers that:

We negotiate with your creditors on your behalf to substantially reduce your debt. This program is an alternative to bankruptcy. The process works within your budget to eliminate your debts in the shortest time possible.

1 5. The internet website for Financial Freedom of America, Inc. represents to consumers
2 that “Financial Freedom of America can work with your creditors to help relieve your burden of
3 debt. You no longer need to struggle. We work on your behalf to settle your unsecured credit card
4 debt.”

5 6. Financial Freedom of America, Inc. represents that their services include negotiating
6 with a consumer’s creditors to settle debts for less than the total amount that the consumer’s
7 creditors claim is owed.

8 7. Financial Freedom of America, Inc., acting in concert or participating with others,
9 receive sums of money from a consumer for the purpose of negotiating settlement or payment plans
10 on their behalf and/or paying a consumer's creditors. Specifically, these entities pay the bills of a
11 consumer from the funds a consumer forwards to them for that purpose, by arranging for periodic
12 withdrawals from a consumer's trust account(s) for payment to a consumer's creditors.

13 8. In exchange for these services, consumers are charged and required to pay an
14 “enrollment fee” and monthly administrative fees of \$39.95. The consumer must also pay a
15 negotiation fee of 10% of the amount “saved.”

16 9. The Department of Corporations has jurisdiction over and regulates bill payers and
17 proraters under the Check Sellers, Bill Payers and Proraters Law set forth in California Financial
18 Code section 12000 et seq. California Financial Code section 12200, states:

19 No person shall engage in the business, for compensation, of selling
20 checks, drafts, money orders, or other commercial paper serving the
21 same purpose, or of receiving money as agent of an obligor for the
22 purpose of paying bills, invoices, or accounts of such obligor, or
23 acting as a prorater, nor shall any person, without direct
24 compensation and not as an authorized agent for a utility company,
accept money for the purpose of forwarding it to others in payment
of utility bills, without first obtaining a license from the
commissioner.

25 10. The definition of proraters, found in Financial Code section 12002.1, states:

26 A prorater is a person who, for compensation, engages in whole or in part
27 in the business of receiving money or evidences thereof for the purpose
28 of distributing the money or evidences thereof among creditors in
payment or partial payment of the obligations of the debtor.

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11. The California Corporations Commissioner has not licensed Financial Freedom of America, Inc. also known as Financial Freedom of America in this State to act as a bill payer or prorater.

12. Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that Financial Freedom of America, Inc., also known as Financial Freedom of America, and Corey Todd Butcher, in concert and/or in participation with others, has been engaging in business as a bill payer or prorater as defined in the Check Sellers, Bill Payers and Proraters Law without a license from the California Corporations Commissioner.

Pursuant to Financial Code section 12103, the California Corporations Commissioner hereby orders Financial Freedom of America, Inc. also known as Financial Freedom of America, and Corey Todd Butcher, individually, in concert and/or in participation with others, to desist and refrain from engaging in business as a bill payer and prorater unless and until they are licensed or exempt. This Order is necessary, in the public interest, and for the protection of consumers.

Dated: August 24, 2009
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____

ALAN S. WEINGER
Deputy Commissioner
Enforcement Division