

1 **STATE OF CALIFORNIA**
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
3 **DEPARTMENT OF BUSINESS OVERSIGHT**

4 TO: Freedom Financial Asset Management, LLC
5 1875 South Grant Street, Suite 400
6 San Mateo, California 94402

7 **DESIST AND REFRAIN ORDER**
8 **(For violations of Financial Code section 22108, subdivision (a) and**
9 **California Code of Regulations, title 10, section 1422)**

10 The Commissioner of Business Oversight (Commissioner) finds that:

11 1. Freedom Financial Asset Management, LLC (Freedom Financial) has been licensed
12 by the Commissioner, since on or about December 13, 2005, to engage in the business of a finance
13 lender and broker; license number 605-3240. Freedom Financial is a Delaware limited liability
14 company and has its principal place of business located at 1875 South Grant Street, Suite 400, San
15 Mateo, California 94402.

16 2. The Commissioner is responsible for enforcing the California Financing Law (CFL)
(Financial Code § 22000 et seq.).

17 3. Financial Code section 22108, subdivision (a) provides:

18 The commissioner may by rule require licensees to file, at the times that
19 he or she may specify, the information that he or she may reasonably require
20 regarding any changes in the information provided in any application filed
21 pursuant to this division.

22 4. California Code of Regulations, title 10, section 1422 (CCR section 1422) provides
23 the form to be used in applying for a license under the CFL. Pursuant to CCR section 1422, a CFL
24 applicant is required to inform the Commissioner, and attach a copy of each action, “if the applicant
25 has been convicted of a crime or committed an act involving dishonesty, fraud, or deceit within the
26 last 10 years, or if the applicant has violated the CFL or other similar regulatory scheme at any
27 time.”

28 5. CCR section 1422 further provides that the officers, directors, managers, trustees and
any other person with direct responsibility for the applicant's proposed activities under the CFL

1 license or any other person who owns or controls, directly or indirectly, 10% or more of the
2 applicant must also inform the Commissioner of the above described actions and attach a copy of
3 each action.

4 6. CCR section 1422 requires each applicant to represent under penalty of perjury that it
5 will notify the Commissioner of any material change in the information contained in the application.

6 7. In or after May 2019, the Commissioner discovered that: (i) Freedom Financial, on or
7 about March 28, 2018, had entered into an administrative Consent Order, Order for Restitution, and
8 Order to Pay Civil Money Penalty with the Federal Deposit Insurance Corporation concerning unfair
9 and deceptive acts and practices in violation of Section 5 of the Federal Trade Commission Act, the
10 Truth in Lending Act and the Electronic Funds Transfer Act; and (ii) Andrew Houser, a managing
11 member of Freedom Financial and indirect owner of Freedom Financial, on or about July 9, 2019,
12 had entered into a civil Stipulated Final Judgment and Order with the Consumer Financial Protection
13 Bureau concerning violations of the Telemarketing and Consumer Fraud and Abuse Prevention Act,
14 the Telemarketing Sales Rule, and the Consumer Financial Protection Act of 2010 in connection
15 with the marketing, sale and provision of debt relief services based upon an action commenced in
16 November 2017.

17 8. At no time has Freedom Financial informed the Commissioner of the above-described
18 actions through an application amendment or otherwise in violation of Financial Code section
19 22108, subdivision (a) and CCR section 1422.

20 9. Financial Code section 22712, subdivision (a) provides in pertinent part:

21 (a) Whenever, in the opinion of the commissioner, . . . any licensee violates
22 any provision of this division, any provision of an order, or any regulation
23 adopted pursuant to this division, the commissioner may order that . . . licensee
24 to desist and to refrain from . . . further continuing that violation. If, within 30
25 days after the order is served, a written request for a hearing is filed and no
26 hearing is held within 30 days thereafter, the order is rescinded. . . .

27 By reason of the foregoing, Freedom Financial Asset Management, LLC has failed to amend
28 its application or otherwise notify the Commissioner of changes in the information provided in its
CFL license application by failing to notify the Commissioner of the above-described actions in

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violation of Financial Code section 22108, subdivision (a) and CCR section 1422.

Pursuant to Financial Code section 22712, subdivision (a), Freedom Financial Asset Management, LLC is hereby ordered to desist and refrain from violating Financial Code section 22108, subdivision (a) and CCR section 1422 to include the immediate filing of an amendment to its application to disclose the actions described in Paragraph 7 and any other actions required to be disclosed.

This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Financing Law. This order shall remain in full force and effect until further order of the Commissioner of Business Oversight.

Dated: September 20, 2019
Los Angeles, CA

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division