

State of New Hampshire

**State of New Hampshire
Banking Department**

Docket # 10-149

v.

**Financial Freedom of America, Inc.
(now known as Financial Freedom
Processing, Inc.), Corey Butcher, and**

**Order to Show Cause and
Cease and Desist**

[REDACTED],

Respondents

Notice of Order to Show Cause and Cease and Desist (“Order”)

1. This Order commences an adjudicative proceeding under the provisions of RSA Chapter 399-D (including RSA 399-D:13, I, RSA 399-D:23, I and II, RSA and RSA 399-D:25, IV) and RSA Chapter 541-A.
2. The Commissioner may impose administrative fines up to a maximum of \$2,500.00 for each violation. RSA 399-D:24, IV and V.

Respondents

3. Financial Freedom of America, Inc. (now known as Financial Freedom Processing, Inc.) (“Respondent Financial Freedom”) is a corporation duly incorporated in the State of Texas on December 13, 2005 with a principal office location of 8140 Walnut Hill Lane Suite 400, Dallas, Texas 75231. Respondent Financial Freedom is a “Person.” RSA 399-D:2, VII.
4. The New Hampshire Banking Department’s (“Department”) records indicate that Respondent Financial Freedom has never held a New Hampshire Debt Adjuster license.
5. Corey Butcher (“Respondent C. Butcher”) is the 44% owner, President and Chief Executive Officer of Respondent Financial Freedom with a contact address of 8140

Walnut Hill Lane, Suite 400, Dallas, Texas 75231. Respondent C. Butcher is a Control person (RSA 399-D:2, II-a), a Direct Owner (RSA 399-D:2, V-b), a Principal (RSA 399-D:2, VII-a) and a Person (RSA 399-D:2, VII).

6. The Department's records indicate that Respondent C. Butcher has never held a New Hampshire Debt Adjuster license.
7. [REDACTED]
8. The Department's records indicate that Respondent [REDACTED] has never held a New Hampshire Debt Adjuster license.
9. The above-named Respondents are hereinafter collectively called "Respondents".

Right to a Hearing

10. Respondents have the right to request a hearing of this Order. A hearing shall be held not later than ten (10) days after the Commissioner receives the Respondent's written request for a hearing. Respondents may request a hearing and waive the ten (10) day hearing requirement. The hearing shall comply with RSA Chapter 541-A, RSA 399-D:13, I and RSA 399-D:23, I and II.
11. If any person fails to request a hearing within thirty (30) days of receiving this Order, then such person shall likewise be deemed in default, all allegations may be deemed true, and the Order shall, on the thirty-first (31st) day, become permanent and shall remain in full force and effect until modified or vacated by the Commissioner for good cause shown. RSA 399-D:13, I and RSA 399-D:23, I and II.
12. A default may result in administrative fines as described in Paragraph 2 above.

Statement of Allegations

13. On December 16, 2008, the Department received a consumer complaint from a New Hampshire consumer (“Consumer A”) against Respondents alleging unlicensed debt adjustment activities.
14. On June 8, 2007, Respondents had contracted with Consumer A to negotiate and settle approximately \$30,727.00 of Consumer A’s debt, in violation of RSA 399-D:3, I.
15. The contract provided that Consumer A would be charged an administrative fee of \$2,427.46 and would make monthly payments of \$570.23, with the monthly payments to be applied to the administrative fee until paid in full, in violation of RSA 399-D:14, I.
16. Respondents collected a total of \$801.12 in fees, without either the written consent of Consumer A’s creditor or any payments made to Consumer A’s creditor, in violation of RSA 399-D:14, II.
17. Consumer A requested a refund citing dissatisfaction with the services Respondents rendered. Respondents denied the request, in violation of RSA 399-D:3, III.
18. Respondents operate a website at “financialfreedomprocessing.com” that offers debt adjustment services to New Hampshire consumers.
19. On September 13, 2010, the Department sent a letter via facsimile and U.S. Certified Mail Return Receipt requested to Respondents requesting a response regarding the alleged unlicensed activity, a New Hampshire transaction list, a contact person and a response to the consumer complaints. Respondents received this correspondence on September 27, 2010.
20. To date, Respondents have failed to respond to the Department’s September 13, 2010 correspondence, in violation of RSA 399-D:22, VIII.

21. On December 2, 2010, the Federal Trade Commission filed an action in United States District Court seeking injunctive relief against Respondents.

Alleged Violations:

Respondent Financial Freedom:	1 Count for unlicensed activity as a Debt Adjuster RSA 399-D:3, I
	1 Count for failure to refund consumer RSA 399-D:3, III
	1 Count for collecting an unequally amortized fee RSA 399-D:14, I
	1 Count for accepting a fee without consent of the creditors RSA 399-D:14, II
	1 Count for failure to produce requested documents RSA 399-D:22, VIII
Respondent C. Butcher (<i>as a Control person, Direct Owner and Principal</i>):	1 Count for unlicensed activity as a Debt Adjuster RSA 399-D:3, I
	1 Count for failure to refund consumer RSA 399-D:3, III
	1 Count for collecting an unequally amortized fee RSA 399-D:14, I
	1 Count for accepting a fee without consent of the creditors RSA 399-D:14, II
	1 Count for failure to produce requested documents RSA 399-D:22, VIII
Respondent [REDACTED]:	1 Count for unlicensed activity as a Debt Adjuster RSA 399-D:3, I

23. Accordingly, it is hereby ORDERED that:

- a. Respondents shall immediately cease and desist from violating RSA Chapter 399-D and rules or orders there under;
- b. Respondents shall within fourteen (14) days of the date of this Order provide to the Department a list of all New Hampshire consumers for whom Respondents have conducted or contracted to conduct debt adjustment activities. This list must include the names and contact information of the New Hampshire consumers, along with all monies charged, collected and waived (if applicable). The list shall also be accompanied by all contracts, checks to and from the consumer and any other documents in the New Hampshire consumers' files;
- c. Respondents shall show cause as to why the Commissioner should not enter an order of rescission, restitution, or disgorgement of profits in the amount of \$801.12;
- d. Respondents shall show cause as to why the Commissioner should not recover costs for investigation of this matter in the minimum amount of \$2,250.00;
- e. Respondents shall show cause why administrative fines totaling \$12,500.00 per Respondent should not be imposed; and
- f. Nothing in this Order shall prevent either 1) the Department from taking any further administrative and legal action as necessary under New Hampshire law or 2) the New Hampshire Office of the Attorney General from bringing an action against the above-named Respondents in any New Hampshire superior court, with or without prior administrative action by the Commissioner.

SO ORDERED,

Entered this April 14, 2011.

/s/

By Robert A. Fleury, Deputy Bank Commissioner
New Hampshire Banking Department