

Dear Stockholders,

In 2004 Freedom Financial Group, Inc. completed the last of the settlements with the litigants from the Stevens Financial Group bankruptcy and the case has been closed in court.

During the year, the final \$7 million in cash was recovered from the settlement with BancInsure enabling the Company to pursue the Business Plan in the fourth quarter. During the latter part of the year, three new Business Development Representatives were hired in the Midwest. Their purpose is to increase marketing to independent used car dealers interested in both the sub-prime bulk purchase program and the newly invigorated Point of Sale program wherein loans are purchased on a case by case basis. The mix of business the Company has experienced in the two programs is encouraging and is resulting in the building of a significant dealer network for continued future relationships.

During the latter part of the year, the Board of Directors hired a firm of independent auto finance industry experts to evaluate the Business Plan being pursued by the Company. Their findings concerning the outlook for the industry were very encouraging. They revalidated the Business Plan and made recommendations to support the long term performance of the Company.

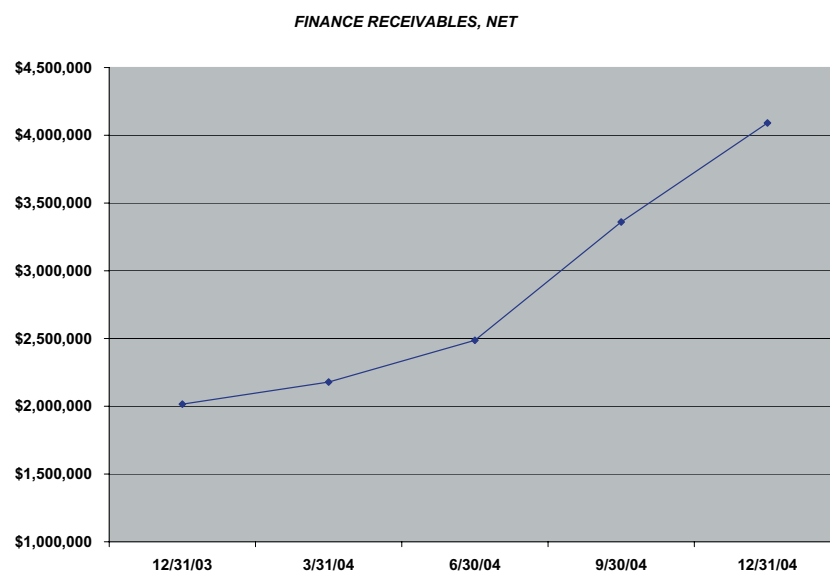
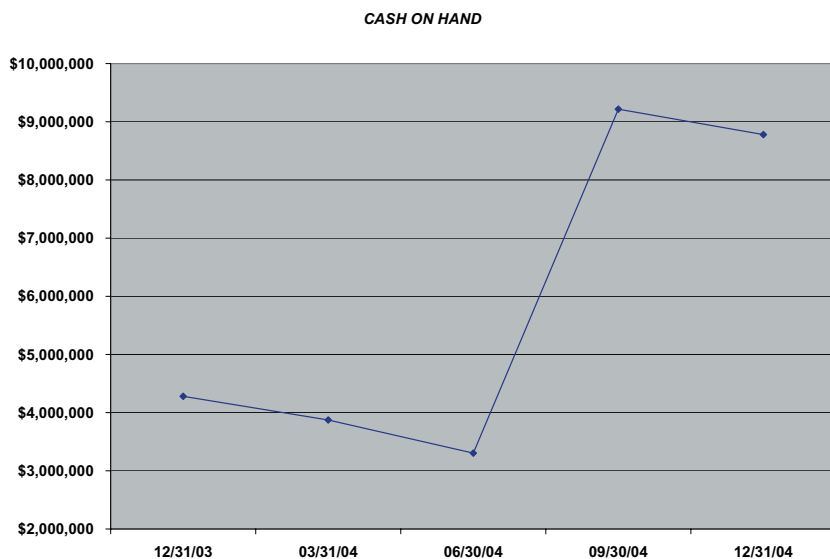
The purchase of receivables in the U.S. sub-prime used automobile market is very promising, evidenced by the 18 bulk purchase deals, totaling \$2.3 million closed during 2004 with limited funds and resources available most of the year. Approximately \$610,000 Point of Sale receivable contracts were purchased during the same period. The Company's receivables portfolio as of the end of the year is comprised of 40% U.S. loans and 60% Canadian loans.

The consolidated financial statements of the Company strengthened considerably by the end of 2004 with cash on hand of \$8.8 million compared to \$4.3 million on December 31, 2003.

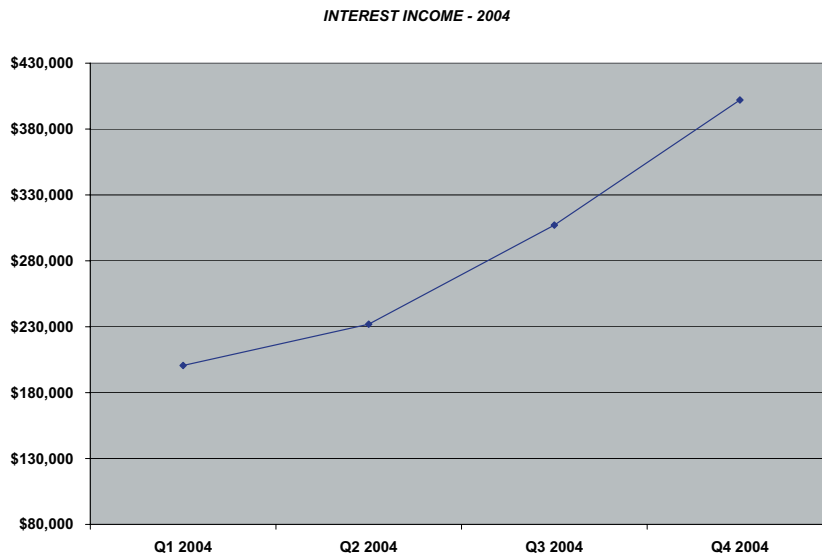
Finance receivables at year-end were \$4.1 million, an increase of 100% from year-end 2003. Charge-offs during 2004 were 11.7% of the average outstanding portfolio balance in the U.S. portfolio and 6.1% of the average portfolio balance in Canada. Gross yields on the U.S. and Canada portfolios were 42% and 33%, respectively. Collections of pre-bankruptcy charged-off receivables continued during the entire year and resulted in \$136,481 cash collected and reported as income.

The cost of the reorganization is behind us and there are no material legal matters pending at year-end. Stockholders equity at year-end was \$12.9 million, an increase of \$269,000, of which \$253,000 is due to the stronger Canadian dollar which benefited the Company over the past year.

The consolidated statement of operations for 2004 shows a net profit of \$16,276. Revenues for the year totaled \$1.4 million, up from \$938,729 in 2003, an increase of 49%. A provision for bad debts of \$187,030 combined with the \$2.2 million in operating expenses resulted in the operating loss of (\$1,000,719). Non-operating income of \$1.0 million, primarily from the settled Banclnsure claim, contributed to the net income of \$16,276.



Each calendar quarter the Board of Directors considers whether distributions or payments to Preferred Stockholders shall be made. At the end of the fourth quarter, the Board of Directors determined that it was in the Company's best interest to not make any distributions at this time. The Company is not aware of the price of any sales of the Company's common or preferred stock during the year.



In preparation for filing its registration statement on Form 10-SB, the Company consulted with the Securities and Exchange Commission and its outside auditors. The Company initiated these consultations to determine the appropriate accounting for the value of the Company's claims against BanInsure and the New York based law firm as of January 1, 2003. As a result of these consultations, the Company determined that it was best to restate the Company's previously issued financial statements. In January 2003 it was very unclear as to the value of those two claims and that is what gave rise to the "qualified opinion" from the auditors for 2003. This restatement allows for a "clean" opinion and more fairly reflects operating results for 2003 and 2004.

On the following pages you will find a copy of the Company's audited consolidated financial statements as of and for the years ended December 31, 2004 and 2003. In an effort to reduce our costs we have mailed only one copy of this Annual Report to each household. Should you desire additional copies of this Annual Report please contact our Investor Relations Department at (417) 886-6600.

Within the next several weeks you will be receiving official notice of the Company's Annual Meeting of Stockholders. We hope to see you there.

Jerry Fenstermaker
President and CEO