

1 ALDEN F. ABBOTT
2 Acting General Counsel

3 SARAH SCHROEDER, Cal. Bar No. 221528
4 ROBERTA TONELLI, Cal. Bar No. 278738
5 EVAN ROSE, Cal. Bar No. 253478
6 Federal Trade Commission
7 901 Market Street, Suite 570
8 San Francisco, CA 94103
9 sschroeder@ftc.gov, rtonelli@ftc.gov, erose@ftc.gov
10 Tel: (415) 848-5100; Fax: (415) 848-5184

11
12 **UNITED STATES DISTRICT COURT**
13 **NORTHERN DISTRICT OF CALIFORNIA**
14 **OAKLAND DIVISION**

15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 vs.

18 AMERICAN FINANCIAL BENEFITS
19 CENTER, a corporation, also d/b/a AFB and AF
20 STUDENT SERVICES;

21 AMERITECH FINANCIAL, a corporation;

22 FINANCIAL EDUCATION BENEFITS
23 CENTER, a corporation; and

24 BRANDON DEMOND FRERE, individually
25 and as an officer of AMERICAN FINANCIAL
26 BENEFITS CENTER, AMERITECH
27 FINANCIAL, and FINANCIAL EDUCATION
28 BENEFITS CENTER,

Defendants.

Case No. 4:18-cv-00806-SBA

Related Case: 4:17-cv-04817-SBA

**DECLARATION OF KELLY
CRETCHER IN SUPPORT OF
FEDERAL TRADE COMMISSION'S
MOTION FOR PRELIMINARY
INJUNCTION**

DECLARATION OF KELLY CRETCHER

1
2
3 1. My name is Kelly Cretcher and I reside in California. The following statements
4 are within my personal knowledge and if called as a witness I could and would competently
5 testify thereto.

6 2. I worked for American Financial Benefits Center (“AFBC”) for approximately 7-
7 8 months between January of 2014 and July of 2014. I worked as an Account Executive in the
8 sales department during my time at AFBC.

9 3. I was hired by Brandon Frere (“Brandon”) and Cameron Henry (“Cameron”).
10 Brandon and Cameron represented themselves as the owners of AFBC.

11 4. Prior to starting, my training consisted of reading through a sales script along with
12 various rejections and rebuttals for when potential clients would ask us questions about the
13 program or challenge us.

14 5. My duties as an Account Executive involved taking calls from students that
15 received our mailer. My understanding was that the mailers were sent to people who had a
16 certain amount of student loan debt. These mailers advertised our company’s ability to reduce or
17 eliminate that debt.

18 6. My understanding was that we would try to qualify potential clients for the
19 Income Based Repayment program offered through the Department of Education. Once we
20 enrolled a client, our processing department would file paperwork to put our clients’ loans into
21 forbearance. They would also instruct our clients to stop making payments towards their loans.

22 7. Part of the criteria used to qualify a client was their reported family size. The
23 higher the family size, the more likely that a client would qualify for a lower monthly payment.
24 As part of the training, I recall Brandon encouraging me to exaggerate the definition of family
25 size when explaining it to a client. I remember Brandon telling me that anyone you had over for
26 dinner, your kid’s friend, or someone that used your Netflix account could all be considered
27 “family members.”
28

1 8. The cost for our program was approximately \$50 a month, which would be paid
2 indefinitely until a client's loan was paid off or forgiven. Consumers thought that this fee was for
3 not having to make their student loan payments.

4 9. Our company also offered a membership program that was similar to a coupon
5 book. My understanding was that this was a bonus and featured things like access to discounted
6 auto repair. I do not remember it having much value. Since the sales script was misleading, our
7 clients believed the membership was an extra perk and not the only thing they were paying for.

8 10. I remember doing some research into this industry and questioned Brandon on if
9 what we were doing was legal. I remember Brandon explaining how he found a loophole where
10 he could only charge a fee if he called it something other than a fee for loan consolidation. My
11 understanding was that this is what the membership program was for, it was a way to legally
12 charge this monthly fee. Brandon convinced me that his attorneys looked it over and said it was
13 okay.

14 11. Over time, I got the impression that Brandon was sleazy and didn't genuinely
15 want to help people. For example, during my interview with him before I started, he was telling
16 me how after the economy tanked, he had to get out of the construction business and find a new
17 way to make money. He said that the student loan debt relief industry was "an easy way to make
18 money." He also made a comment on how you had to "ride this wave." In the context of our
19 conversation, my understanding was that "wave" referred to the student loan debt relief industry.

20 12. Based on my interactions with Brandon, I got the feeling that he was doing very
21 well for himself. He was able to build a 5-bedroom house on many acres of land in Sebastapol,
22 California. In addition, he bought what appeared to be a very expensive pickup truck. He would
23 also buy his girlfriend stuff all the time and lived somewhat of a lavish lifestyle. He struck me as
24 someone that would one day end up on the show "American Greed."

25 13. At one point, Cameron told me that Brandon had paid someone at the Better
26 Business Bureau to maintain our company's A rating. I was also told that Brandon was helping
27 this same individual out with their student loans.

28

