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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 DANIELLE  
KINNEY IN SUPPORT OF FEDERAL  
TRADE COMMISSION'S MOTION  
FOR PRELIMINARY INJUNCTION**

DECLARATION OF DANIELLE KINNEY

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

5           2.     From approximately February 2016 to May 2017, I worked in the Operations  
6 Department of Ameritech Financial (“Ameritech” or “the company”) in the company’s Rohnert  
7 Park office. The Operations Department handled customer service issues for the company’s  
8 clients. The descriptions of the company’s policies and procedures in this declaration are based  
9 on my personal experience and things I observed while working at the company.

10          3.     While in college, I took a job at Ameritech. I hated working there, but my step-  
11 dad passed away from cancer and I was financially supporting my mom, who had a stroke.

12          4.     Ameritech charged consumers an enrollment fee, a monthly membership fee, and  
13 a fee to submit student loan repayment applications to clients’ lenders. I did not think Ameritech  
14 had the right to charge consumers a monthly membership fee. The company bundled the fees  
15 together into one monthly payment. Many consumers did not understand what they were paying  
16 for. Some clients thought their monthly membership fee was going towards their student loan  
17 payment and that Ameritech was making monthly payments to the loan servicer.

18          5.     Ameritech used third-party payment processing companies to collect fees from  
19 their clients. The payment processors were supposed to hold some of the fees in escrow until  
20 Ameritech completed the promised work on the client’s student loan. In 2016, Ameritech used a  
21 payment processor called Global Client Solutions (“GCS”).

22          6.     In approximately January 2017, Ameritech switched payment processors and  
23 Ameritech’s owner, Brandon Frere, wanted to withdraw approximately \$500,000 from a GCS  
24 escrow accounts. Mr. Frere asked several staff in the Operations Department, including me, to  
25 assist him in obtaining the funds. He called the assignment the “GCS Project” and supervised  
26 staff on the project. The GCS Project was supposed to take 60 days, but it was still going on  
27 when I left the company.

1           7.       The GCS Project involved Ameritech staff contacting approximately 1,200 clients  
2 and persuading them to sign a form stating that Ameritech had completed the promised work on  
3 their student loan. Mr. Frere instructed staff to email and text clients and “get them to reply  
4 yes,” even if Ameritech had not performed any work on their files. Ameritech then submitted  
5 the forms to GCS and requested funds from consumers’ escrow account. I estimate that in 75%  
6 of cases, Ameritech had not completed work on the client’s file.

7           8.       I felt uncomfortable collecting funds from clients who had received no benefit  
8 from the company and raised my concerns at two staff meetings for the GCS Project. I also  
9 wrote down the names of approximately 50 clients whose escrow funds Ameritech improperly  
10 collected from GCS. I gave the list of names to my supervisor.

11          9.       Another concern I had about Ameritech was the way the company calculated  
12 clients’ family size on their student loan repayment applications. Ameritech’s policy around  
13 family size seemed to change every week and was a joke. Ameritech’s sales staff told  
14 consumers that their family size for the purposes of their student loan could include anyone they  
15 financially support, including people they bought Christmas gifts for or whose phone bill they  
16 paid.

17          10.      Ameritech’s Operations Department received approximately 100 phone calls a  
18 day from clients who were confused about how to calculate their family size for their loan  
19 repayment applications. Sales staff told clients one thing, and then letters from their loan  
20 servicers said another. Student loan servicers questioned the family size figures for some of  
21 Ameritech’s clients and were denying applications right and left. I received so many calls about  
22 family size that Ameritech instructed me to refer them all to my manager, Holly Novak.

23          11.      I think Ameritech gave refunds to consumers who were charged twice or had  
24 other technical problems. Higher up management at the company dealt with refund requests.

25          12.      Mr. Frere was in Ameritech’s office a lot and was very involved in the Operations  
26 Department. He came to meetings, but never talked with Ameritech’s clients.

27          13.      In May 2017, I was fired from Ameritech because I refused to follow orders and  
28 submit false paperwork for the GCS Project. A manager at Ameritech told me I had to file some

1 termination paperwork or he would sign it for me. I considered filing a whistleblower or  
2 retaliation claim with the Labor Board, but did not have the resources to pursue the case.

3 14. I am in contact with someone who still works at Ameritech. In February 2018,  
4 this person told me that a supervisor at Ameritech had a meeting with Ameritech staff and told  
5 them that the company was going to change its name, but continue operations as usual, similar to  
6 when it changed from American Financial Benefits Center to Ameritech Financial. I was angry  
7 when I heard about the company's attitude. On March 1, 2018, I sent the following email to the  
8 FTC:

9 Hello,

10 My name is Danielle Kinney and I just recently received a letter about Ameritech  
11 Financial who is my previous employer. I was fired in May of 2017 because I would not  
12 participate in a project Brandon was working on. This project consisted of collecting  
13 money from customers even if no work was done on the file. I did not agree with the  
14 project therefore refused to participate. I was fired a week later and forced to sign papers  
15 by HR manager Steve Sims. Before I was fired, I documented each customer who I was  
16 asked to call every day for over 90 days. These customers had no work done for them,  
17 therefore they should of received a full refund. But we were instructed to collect the  
18 money even if no work had been done. I believe that I have some vital information that  
19 could help in this case and bring some justice to the customers. Please let me know of a  
20 time we could speak about this case. Thank you.

21 I hope to hear from you soon.

22 Danielle Kinney

23 15. I declare under penalty of perjury that the foregoing is true and correct. Executed  
24 on April 16, 2018, in California.

25  
26  
27 \_\_\_\_\_  
Danielle Kinney