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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

**DECLARATION OF ERICA BUFANO
IN SUPPORT OF FEDERAL TRADE
COMMISSION'S MOTION FOR
PRELIMINARY INJUNCTION**

DECLARATION OF ERICA BUFANO

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

5 2. From approximately March 2015 to March 2016, I worked in the Sales and
6 Operations Departments of American Financial Benefits Center (“AFBC”) and AmeriTech
7 Financial (collectively “the company”). The descriptions of the company’s policies and
8 procedures in this declaration are based on my personal experience and things I observed while
9 working at the company. I left the company because its practices were completely wrong.

10 3. In early 2015, AFBC’s owners, Brandon Frere and Cameron Henry, interviewed
11 me for a sale position. Mr. Frere did not believe that I had a six-figure income at a prior job and
12 demanded that I provide him with my W-2 employment record to prove my salary. Even though
13 I felt uncomfortable, I gave Mr. Frere my W-2 and he hired me.

14 4. I worked in the company’s Rohnert Park office. Mr. Frere had an office in the
15 company’s headquarters and managers would frequently come to him with questions.

16 5. AFBC sent flyers and postcards to consumers promising to reduce their student
17 loan payment or get their student loan forgiven. Consumers I spoke with who called AFBC told
18 me that the company’s name was not on the mailers. AFBC managers never showed me the
19 mailers, but I found them on google.

20 6. My first position at AFBC was answering calls from consumers inquiring about
21 student loan assistance. Mr. Henry and Tyler Colt gave me a sales script to follow and trained
22 me on how to sell the company’s services. They also coached me on how to convince clients to
23 inflate their family size on their student loan payment reduction applications. Mr. Henry and Mr.
24 Colt instructed me to tell clients that nearly anyone could count as a family member on a student
25 loan payment reduction application, including people they gave Christmas presents to. AFBC’s
26 owners and managers knew the company was submitting student loan payment reduction
27 applications to lenders that contained false information.

1 7. My base salary as a sale representative was approximately \$14 per hour. If I
2 signed up more than nine clients a week, I could earn a commission. It was challenging for sales
3 staff to meet their weekly quota and some employees worked 12-hour days to get their
4 commission. Many AFBC clients cancelled after they realized they could modify their student
5 loans for free with their lenders.

6 8. AFBC charged consumers several hundred dollars to enroll them in federal
7 student loan assistance programs. AFBC also charged consumers a recurring monthly fee for a
8 financial education membership. Consumers I spoke with were confused about the AFBC's
9 payment structure and thought their monthly payments were going towards their student loan.

10 9. Many employees at AFBC did not understand student loan applications. For
11 example, AFBC employees did not tell clients that they would have to pay taxes on any loan
12 amount forgiven by the federal government. In addition, AFBC was improperly calculating
13 clients' incomes by multiplying their bi-weekly salary by 24 weeks instead of the proper 26
14 weeks.

15 10. Consumers who called AFBC did not always sign up for the company's services.
16 AFBC instructed sales representatives to obtain a google account on their personal phone and
17 text consumers who contacted AFBC, but did not complete the enrollment process. I did not text
18 potential clients because AFBC did not have permission to text these consumers and I was
19 concerned that sending unwanted text messages was illegal.

20 11. After approximately six months, I transferred to AFBC's Operations Department,
21 which processed clients' files. There were not enough people in the Operations Department to
22 handle all the client files and applications. As a result, AFBC left many clients' loans in
23 forbearance while it was supposedly working on their loan payment reduction applications.
24 Many people paid AFBC money and the company did nothing for them.

25 12. In late 2015, AFBC changed its name to AmeriTech Financial. My manager told
26 me and other employees in the Operations Department to stop working on AFBC client files and
27 to focus on AmeriTech clients because they were paying more. After the name change, hundreds
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1 of AFBC client files just sat there, ignored. I raised concerns with my manager, but he
2 discouraged me from asking questions.

3 13. My manager and several AFBC employees told me that AFBC paid the Better
4 Business Bureau to keep AFBC's rating an A+, despite consumer complaints.

5 14. AFBC and AmeriTech are shady companies. They scam people by making it
6 seem like clients' monthly payments are going towards their student loans, when in fact all the
7 funds go to the company.

8 15. I declare under penalty of perjury that the foregoing is true and correct. Executed
9 on February 28, 2018, in California.

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12 Erica Bufano
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