

Ropers Majeski Kohn & Bentley  
A Professional Corporation  
Redwood City

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8 Attorneys for Defendants  
9 AMERICAN FINANCIAL BENEFITS CENTER,  
AMERITECH FINANCIAL, FINANCIAL EDUCATION  
10 BENEFITS CENTER, and BRANDON DEMOND FRERE

11 UNITED STATES DISTRICT COURT  
12 NORTHERN DISTRICT OF CALIFORNIA

13 FEDERAL TRADE COMMISSION,  
14 Plaintiff,  
15 v.  
16 AMERICAN FINANCIAL BENEFITS  
CENTER, a corporation, also d/b/a AFB and  
17 AF STUDENT SERVICES; et al.,  
18 Defendants.

Case No. 18-cv-00806-SBA

**PARTIES' JOINT STATUS REPORT**

**Complaint filed February 7, 2018  
Hon. Sandra Brown Armstrong**

19 Pursuant to Orders issued by this Court (*see* ECF Nos. 214, 226), the Parties hereby  
20 submit this Joint Status Report.

21 On December 20, 2019, Defendant Brandon Frere entered a plea of guilty to one count  
22 each of wire fraud and money laundering. *See United States v. Frere*, Cr. 19-0493-SI. His  
23 sentencing is scheduled for March 27, 2020. Mr. Frere and counsel for the Federal Trade  
24 Commission have been in productive discussions regarding settlement and have reached an  
25 agreement in principle.

26 The Companies – American Financial Benefits Center, Ameritech Financial, and  
27 Financial Education Benefits Center – are no longer operating and their assets have been  
28 liquidated under the supervision of the Receiver in this Action, Thomas McNamara. Mr.

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1 McNamara has submitted periodic status reports to the Court, the most recent having been  
2 submitted on January 9, 2020. ECF No. 232.

3 Based on the foregoing, the parties ask that the Court continue the stay in this matter until  
4 sixty (60) days after Mr. Frere has been sentenced in the parallel criminal action. This time will  
5 allow the Commission to review and vote on any proposed settlement.

6 Further, in response to the Court’s request that the parties advise whether they wish the  
7 Court to proceed with adjudicating the following two outstanding motions (*see* ECF No. 229),  
8 the FTC asks that the Court adjudicate Plaintiffs’ Motion to Strike Defendants’ Laches, Estoppel  
9 and Offset Affirmative Defenses. ECF No. 169. The FTC’s position is that the Motion to Strike  
10 addresses novel legal arguments, and the Court’s order on these issues could be important  
11 precedent for future cases. Further, the Receiver’s counsel has advised that he is not pursuing the  
12 Receiver’s *Ex Parte* Application Seeking Compliance with Preliminary Injunction and Order to  
13 Show Cause as to Why Defendant Brandon Frere Should Not Be Held in Civil Contempt. ECF  
14 No. 189. Accordingly, the Receiver is not asking for the Court to adjudicate that motion.  
15 Defendants do not oppose either request.

16 Dated: February 3, 2020

ROPERS, MAJESKI, KOHN & BENTLEY

17  
18 By: /s/ Nicole S. Healy  
TODD A. ROBERTS  
NICOLE S. HEALY  
EDWIN B. BARNES

19  
20 Attorneys for Defendants AMERICAN  
21 FINANCIAL BENEFITS CENTER,  
22 AMERITECH FINANCIAL, FINANCIAL  
EDUCATION BENEFITS CENTER, and  
BRANDON DEMOND FRERE

23  
24 Dated: February 3, 2020

FEDERAL TRADE COMMISSION

25 By: /s/ Sarah Schroeder  
SARAH SCHROEDER  
EVAN ROSE

26  
27 Attorneys for Plaintiff  
28 FEDERAL TRADE COMMISSION

**ECF ATTESTATION**

I, Nicole S. Healy, am the ECF User whose ID and password are being used to file this PARTIES’ JOINT STATUS REPORT. In compliance with Civil Local Rule 5-1(i)(3), I attest that concurrence in the filing of this document has been obtained from all signatories indicated by a “conformed” signature (/s/) within this e-filed document.

Dated: February 3, 2020

/s/ Nicole S. Healy  
NICOLE S. HEALY

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