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AMERICAN FINANCIAL BENEFITS CENTER, AMERITECH FINANCIAL, FINANCIAL EDUCATION BENEFITS CENTER, and BRANDON DEMOND FRERE

Ropers Majeski Kohn & Bentley
A Professional Corporation
Redwood City

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

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

AMERITECH FINANCIAL, a corporation;

FINANCIAL EDUCATION BENEFITS CENTER, a corporation; and

BRANDON DEMOND FRERE, individually and as an officer of AMERICAN FINANCIAL BENEFITS CENTER, AMERITECH FINANCIAL, and FINANCIAL EDUCATION BENEFITS CENTER,

Defendants.

Case No. 18-cv-00806-SBA

PARTIES' STIPULATION AND [PROPOSED] ORDER FOR A NINE MONTH STAY OF THIS ACTION AS TO ALL PARTIES

Judge: Hon. Saundra Brown Armstrong

Complaint filed February 7, 2018

Ropers Majeski Kohn & Bentley
A Professional Corporation
Redwood City

WHEREAS Brandon Demond Frere ("Frere") is a defendant in the instant action; and

WHEREAS the United States Attorney's Office for the Northern District of California has filed a criminal complaint against Mr. Frere arising out of the same facts and circumstances that have given rise to the instant action, in a case captioned *United States v. Frere*, Case No. 3:18-mj-71724-SK (N.D. Cal.) (the "USAO action"); and

WHEREAS, although the Corporate Defendants, American Financial Benefits Center, Ameritech Financial, and Financial Education Benefits Center, are not parties to the USAO action, both actions arise out of the same facts and circumstances; and

WHEREAS, Mr. Frere believes he may be prejudiced if both the instant civil case and the parallel criminal case were to proceed, given the differing scope of discovery between the two actions; and

WHEREAS, the Corporate Defendants American Financial Benefits Center, Ameritech Financial, and Financial Education Benefits Center, are no longer operating entities but are being managed by the Court-appointed Receiver; and

WHEREAS, the Parties' proposed stay will not modify the Receivership in this case and the Receiver's duties, responsibilities, and authority, as set forth in the Modified Preliminary Injunction entered by this Court on November 29, 2018, will remain in force;

NOW THEREFORE, Defendants Brandon Demond Frere, American Financial Benefits Center, Ameritech Financial, and Financial Education Benefits Center, and Plaintiff Federal Trade Commission hereby stipulate and agree to the entry of an Order staying the civil action against the Defendants for nine (9) months or until the conclusion of the USAO Action, whichever is first.

SO STIPULATED

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Dated: May 13, 2019

ROPERS, MAJESKI, KOHN & BENTLEY

/s/ Nicole S. Healy

TODD A. ROBERTS
NICOLE S. HEALY
Attorneys for Defendants AMERICAN FINANCIAL BENEFITS CENTER, AMERITECH FINANCIAL, FINANCIAL EDUCATION BENEFITS CENTER, and BRANDON DEMOND FRERE

/s/ James H. Vorhis

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

Dated: May 13, 2019

FEDERAL TRADE COMMISSION

/s/ Sarah Schroeder

SARAH SCHROEDER
ROBERTA TONELLI
EVAN ROSE
Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

Dated: May 13, 2019

MCNAMARA SMITH LLP

/s/ Edward Chang

SANJAY BHANDARI
EDWARD CHANG
Attorneys for Court-appointed Receiver, THOMAS W. MCNAMARA

Ropers Majeski Kohn & Bentley
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Redwood City

Pursuant to Civ. L.R. 5-l(i)(3), the filer attests that concurrence in the filing of the document has been obtained from the other signatories above.

Dated: May 13, 2019

ROPERS, MAJESKI, KOHN & BENTLEY

/s/ Nicole S. Healy

TODD A. ROBERTS
NICOLE S. HEALY
Attorneys for Defendants AMERICAN FINANCIAL BENEFITS CENTER, AMERITECH FINANCIAL, FINANCIAL EDUCATION BENEFITS CENTER, and BRANDON DEMOND FRERE

* * *

After full consideration of the matter, the Court hereby ORDERS as follows:

The Parties' Stipulation is GRANTED; and this action is stayed as to all Defendants for nine (9) months from the date of entry of this Order or until the criminal matter is resolved, whichever occurs first. The parties shall file a joint status report regarding Defendants: a) within ten days after the resolution of the criminal matter; or b) ten days prior to the expiration of the stay, whichever occurs first.

IT IS SO ORDERED

Date: _____

HON. SAUNDRA BROWN ARMSTRONG

Ropers Majeski Kohn & Bentley
A Professional Corporation
Redwood City