

## Complaint

## IN THE MATTER OF

**CAREPATROL, INC.**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF  
SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket No. C-4379; File No. 112 3155**Complaint, December 3, 2012 – Decision, December 3, 2012*

This consent order addresses CarePatrol, Inc.'s statements made in Internet advertising regarding its placement services for seniors requiring long-term care in assisted living facilities and other non-nursing home facilities servicing the frail elderly. The complaint alleges that CarePatrol violated of Section 5(a) of the Federal Trade Commission Act by making the false and unsubstantiated claims: (a) that it monitors or grades the care history and violations of virtually all or a substantial majority of assisted living facilities in a consumer's desired location; (b) that its senior care consultants are located in every state; and (c) that its monitoring or grading of assisted living facilities is based on a review of the facilities' most recent state inspection reports. The consent order prohibits CarePatrol from making false or unsubstantiated representations regarding its placement services.

*Participants*

For the *Commission*: Zachary Hunter and David R. Spiegel.

For the *Respondent*: Chuck Bongiovanni, Chief Executive Officer, *pro se*.

**COMPLAINT**

The Federal Trade Commission, having reason to believe that CarePatrol, Inc. ("CarePatrol" or "respondent") has violated provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent is an Arizona corporation with its principal office or place of business at 625 N. Gilbert Rd., Ste. 200, Gilbert, Arizona 85234. Respondent provides its services through 18 franchises located in 12 states.
2. Respondent advertises that its "senior care consultants" offer consumers free assistance in obtaining placements at

## Complaint

assisted living communities and other facilities which provide care for the frail elderly. CarePatrol states that it receives compensation for its placement services from the facilities at which it makes its placements.

3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

4. There are least 39,000 assisted living facilities in the United States, as well as thousands of smaller, residential care homes which provide assistance and living arrangements for the frail elderly. Many states have one thousand or more such facilities and homes.

5. Respondent has disseminated or has caused the dissemination of promotional materials for its placement services through web-based advertising. *See, e.g.*, Exhibits A through C, attached hereto. CarePatrol’s promotional materials contain the following statements or depictions:

a. **CarePatrol’s Web Site:**

Safe, Pre-Screened, Qualified Providers Fast & Easy

Families usually do not start their search in hopes to find the assisted living or independent living community with:

- **The most citations or violations**
- **The worst care history or**
- **The highest staff turnover**

But that is **exactly what can happen** when you request a list of assisted living options from other assisted living websites. **You Deserve Qualified, Safe Choices!**

That’s why CarePatrol’s local, Nationally Certified Advisors **look beyond the chandeliers and fancy**

## Complaint

**lobbies** to monitor each community's care history and state violations so we can recommend:

## The Safest Options For Your Loved One

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**Pre-Approved Options**

Whether the choice is in-home care, an assisted living community, adult family home, nursing home or a retirement community, your Senior Care Consultant keeps safety and comfort in mind. You receive only the best, prescreened options for care, based on your desired location, needs and affordability. **Only about 30% of all care options meet our high standards.**

**Viewing Your Options**

After completing an assessment, your **Senior Care Consultant will coordinate or accompany you on a tour** of our prescreened providers that's tailored to your needs. Until your senior living decision is made, we are with you every step of the way to provide local, expert counsel, guidance, and reassurance.

Exh. A

b. **CarePatrol's Web Site:****You Have Choices...****We Have Their Grades**

You can spend your time on the Internet **SEARCHING** for Assisted Living options for your loved one and **find pretty pictures and fluffy descriptions** of care facilities near you..... **Does that Help You Find A Safe, Quality Care Facility?**

At CarePatrol, We Don't Just Send You a List of Facilities Like Everyone Else Does. We Grade Each and Every Facility From "A" to "F" Based On Their

## Complaint

Last State Survey. Our Local Senior Care Consultants also Pre-Screen every home we recommend

Exh. B

c. **CarePatrol's Web Site:**

**Click Below to Meet our Consultants**

|                                    |                                      |                                       |                                      |
|------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| <a href="#"><u>Alabama</u></a>     | <a href="#"><u>Iowa</u></a>          | <a href="#"><u>Nevada</u></a>         | <a href="#"><u>South Dakota</u></a>  |
| <a href="#"><u>Alaska</u></a>      | <a href="#"><u>Kansas</u></a>        | <a href="#"><u>New Hampshire</u></a>  | <a href="#"><u>Tennessee</u></a>     |
| <a href="#"><u>Arizona</u></a>     | <a href="#"><u>Kentucky</u></a>      | <a href="#"><u>New Jersey</u></a>     | <a href="#"><u>Texas</u></a>         |
| <a href="#"><u>Arkansas</u></a>    | <a href="#"><u>Louisiana</u></a>     | <a href="#"><u>New Mexico</u></a>     | <a href="#"><u>Utah</u></a>          |
| <a href="#"><u>California</u></a>  | <a href="#"><u>Maine</u></a>         | <a href="#"><u>New York</u></a>       | <a href="#"><u>Vermont</u></a>       |
| <a href="#"><u>Colorado</u></a>    | <a href="#"><u>Maryland</u></a>      | <a href="#"><u>North Carolina</u></a> | <a href="#"><u>Virginia</u></a>      |
| <a href="#"><u>Connecticut</u></a> | <a href="#"><u>Massachusetts</u></a> | <a href="#"><u>North Dakota</u></a>   | <a href="#"><u>Washington</u></a>    |
| <a href="#"><u>Delaware</u></a>    | <a href="#"><u>Michigan</u></a>      | <a href="#"><u>Ohio</u></a>           | <a href="#"><u>West Virginia</u></a> |
| <a href="#"><u>Florida</u></a>     | <a href="#"><u>Minnesota</u></a>     | <a href="#"><u>Oklahoma</u></a>       | <a href="#"><u>Wisconsin</u></a>     |
| <a href="#"><u>Georgia</u></a>     | <a href="#"><u>Mississippi</u></a>   | <a href="#"><u>Oregon</u></a>         | <a href="#"><u>Wyoming</u></a>       |
| <a href="#"><u>Hawaii</u></a>      | <a href="#"><u>Missouri</u></a>      | <a href="#"><u>Pennsylvania</u></a>   |                                      |
| <a href="#"><u>Idaho</u></a>       | <a href="#"><u>Montana</u></a>       | <a href="#"><u>Rhode Island</u></a>   |                                      |
| <a href="#"><u>Illinois</u></a>    | <a href="#"><u>Nebraska</u></a>      | <a href="#"><u>South Carolina</u></a> |                                      |
| <a href="#"><u>Indiana</u></a>     |                                      |                                       |                                      |

Exh. C

6. Through the means described in Paragraph 5, CarePatrol has made representations, expressly or by implication that:

- a. It monitors or grades the care history and violations of virtually all, or a substantial majority, of all assisted living facilities in a consumer's desired location (Exhs. A through C);
- b. It provides services through a network of senior care consultants who are located in every state (Exh. C); and

## Complaint

- c. It monitors or grades assisted living facilities based on a review of the facilities' latest state inspection reports (Exh. B).

## 7. In truth and in fact:

- a. CarePatrol does not monitor or grade the care history and violations of virtually all, or a substantial majority, of assisted living facilities in a consumer's desired location. In most states listed on CarePatrol's website, it has not monitored or graded any facilities;
- b. CarePatrol does not provide its services through a network of senior care consultants who are located in every state; and
- c. In numerous instances, CarePatrol does not monitor or grade assisted living facilities based on a review of the facilities' most recent state inspection reports.

Therefore, the representations set forth in Paragraph 6 are false or misleading.

8. Through the means described in Paragraph 5, respondent has represented, expressly or by implication, that it possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraph 6, at the time the representations were made.

9. In truth and in fact, respondent did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 6 at the time the representations were made. Therefore, the representation set forth in Paragraph 8 is false or misleading.

10. Respondent's practices, as alleged in this complaint, constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

**THEREFORE**, the Federal Trade Commission, this third day of December, 2012, has issued this complaint against respondent.

By the Commission.

## Complaint

## Exhibit A

Find Assisted Living|Independent Living|Senior Housing|Nursing Home

Page 1 of 2



A FREE COMMUNITY SERVICE



Speak With A Senior Care Consultant  
**877-654-0344**  
DAYS | EVENINGS | WEEKENDS





Verified  
Trusted  
Verified  
ABOUT YOUR CHOICE



**Safe, Pre-Screened, Qualified Providers Fast & Easy!**

Families usually do not start their search in hopes to find the assisted living or independent living community with:

- The most citations or violations
- The worst care history or
- The highest staff turnover

But that is exactly what can happen when you request a list of assisted living options from other assisted living websites. You Deserve Qualified, Safe Choices!

That's why CarePatrol's local, Nationally Certified Advisors look beyond the chandeliers and fancy lobbies to monitor each community's care history and state violations so we can recommend:

**The Safest Options For Your Loved One**

**Popular Searches**

[Albuquerque Assisted Living](#)  
[Birmingham Assisted Living](#)  
[Charlotte NC Assisted Living](#)  
[Connecticut Assisted Living](#)  
[Dallas Assisted Living](#)  
[Denver Assisted Living](#)  
[Detroit Assisted Living](#)  
[Houston Assisted Living](#)  
[Milwaukee Assisted Living](#)  
[New Jersey Assisted Living](#)  
[New York Assisted Living](#)  
[Phoenix Assisted Living](#)  
[Pittsburgh Assisted Living](#)  
[Portland Assisted Living](#)  
[Seattle Assisted Living](#)  
[St. Louis Assisted Living](#)  
[Tucson Assisted Living](#)  
[West Virginia Assisted Living](#)

**STEPS IN FINDING QUALITY CARE**

**Your Care Needs Identified**

**1** Your Senior Care Consultant's top priority is to **alleviate your stress** through personalized attention and knowledge. To assess your needs we'll meet you wherever and whenever it matters most: at the doctor's office, hospital, a skilled nursing facility or an existing residence or **if you feel more comfortable, we can speak with you over the telephone.**

**Pre-Approved Options**

**2** Whether the choice is in-home care, an assisted living community, adult family home, nursing home or a retirement community, your Senior Care Consultant keeps safety and comfort in mind. You receive only the best, prescreened options for care based on your desired location, needs and affordability. **Only about 30% of all care options meet our high standards**

**Viewing Your Options**

**3** After completing an assessment, your **Senior Care Consultant will coordinate or accompany you on a tour** of our prescreened providers that's tailored to your needs. Until your senior living decision is made, we are with you every step of the way to provide local, expert counsel, guidance and reassurance.

**Start Your Search**

Exhibit A

## Complaint

## Exhibit B

Search For Assisted Living

Page 1 of 1

CarePatrol

Speak To A Senior Care Consultant  
**877-654-0344**  
DAYS | EVENINGS | WEEKENDSAs Seen On:  
CNBC FOX NEWS CNN

A FREE COMMUNITY SERVICE

Home CareCheck Our Services Resources Meet Our Consultants Corporate Office

Home &gt; Services &gt; Search For Care &gt; Search For Assisted Living &gt; Search For In Home Care &gt; Search For A Nursing

**You Have Choices....  
We Have Their Grades.**

You can spend your time on the Internet **SEARCHING** for Assisted Living options for your loved one and find pretty pictures and fluffy descriptions of care facilities near you.....**Does That Help You Find A Safe, Quality Care Facility?**

At CarePatrol, We Don't Just Send You a List of Facilities Like Everyone Else Does. We Grade Each and Every Facility From "A" to "F" Based On Their Last State Survey. Our Local Senior Care Consultants also Pre-Screen every home we recommend

**We take the time to:**

Speak to you directly to find out in detail about your loved one's care needs so we can "match" them to appropriate facilities that meet their medical, social, physical, financial and location considerations.

Arrange to personally tour you to our recommended care options in your area. Let us drive and answer your questions while you concentrate on making the best choice for your family.

We will follow up with you to make sure that your loved one's needs are being met and assist you in case his or her care needs change.

**Our Services Are FREE OF CHARGE.**

We are paid by our thousands of pre-screened providers across the country

Please complete the form below and one of our Senior Care Consultants will contact you shortly to assist you and your family **FREE** of charge.

**Need Assisted Living Near:**

\*City:

\*State:

\*Zip Code:

\*Your First Name:

\*Your Last Name:

\*Your Email Address:

\*Your Phone Number:



**To Speak With A Senior Care Consultant In Your Area,  
Please Call 877-654-0344**

Exhibit B

## Complaint

## Exhibit C

Meet Our Consultants

Page 1 of 1



Speak To A Senior Care Consultant  
**877-654-0344**  
 DAYS | EVENINGS | WEEKENDS



**"Helping Families Make Safer Choices" A FREE COMMUNITY SERVICE**

[Home](#) [Our Services](#) [Resources](#) [Meet Our Consultants](#) [Corporate Office](#)

## Click Below To Meet Our Consultants

|                             |                               |                                |                               |
|-----------------------------|-------------------------------|--------------------------------|-------------------------------|
| <a href="#">Alabama</a>     | <a href="#">Iowa</a>          | <a href="#">Nevada</a>         | <a href="#">South Dakota</a>  |
| <a href="#">Alaska</a>      | <a href="#">Kansas</a>        | <a href="#">New Hampshire</a>  | <a href="#">Tennessee</a>     |
| <a href="#">Arizona</a>     | <a href="#">Kentucky</a>      | <a href="#">New Jersey</a>     | <a href="#">Texas</a>         |
| <a href="#">Arkansas</a>    | <a href="#">Louisiana</a>     | <a href="#">New Mexico</a>     | <a href="#">Utah</a>          |
| <a href="#">California</a>  | <a href="#">Maine</a>         | <a href="#">New York</a>       | <a href="#">Vermont</a>       |
| <a href="#">Colorado</a>    | <a href="#">Maryland</a>      | <a href="#">North Carolina</a> | <a href="#">Virginia</a>      |
| <a href="#">Connecticut</a> | <a href="#">Massachusetts</a> | <a href="#">North Dakota</a>   | <a href="#">Washington</a>    |
| <a href="#">Delaware</a>    | <a href="#">Michigan</a>      | <a href="#">Ohio</a>           | <a href="#">West Virginia</a> |
| <a href="#">Florida</a>     | <a href="#">Minnesota</a>     | <a href="#">Oklahoma</a>       | <a href="#">Wisconsin</a>     |
| <a href="#">Georgia</a>     | <a href="#">Mississippi</a>   | <a href="#">Oregon</a>         | <a href="#">Wyoming</a>       |
| <a href="#">Hawaii</a>      | <a href="#">Missouri</a>      | <a href="#">Pennsylvania</a>   |                               |
| <a href="#">Idaho</a>       | <a href="#">Montana</a>       | <a href="#">Rhode Island</a>   |                               |
| <a href="#">Illinois</a>    | <a href="#">Nebraska</a>      | <a href="#">South Carolina</a> |                               |
| <a href="#">Indiana</a>     |                               |                                |                               |



CarePatrol Franchise Systems, LLC 625 N Gilbert Rd Suite 200, Gilbert, Arizona 85234

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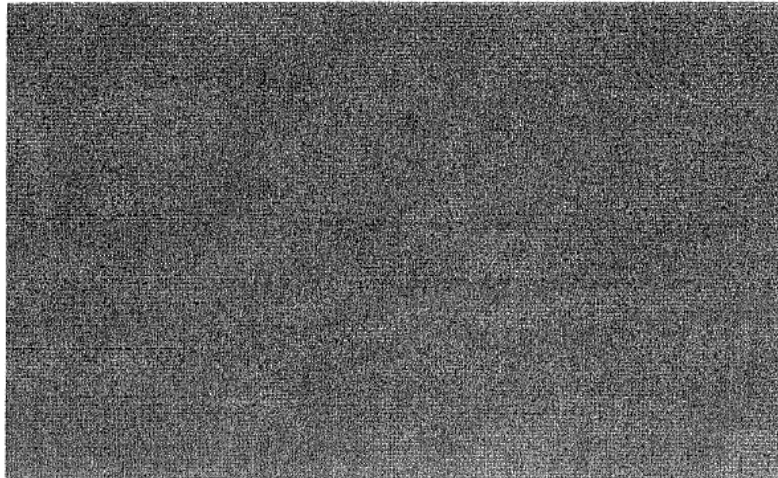


Exhibit C

## Decision and Order

**DECISION AND ORDER**

The Federal Trade Commission, having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of a Complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued, would charge the respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft complaint, a statement that the signing of the agreement is for settlement purposes only and does not constitute an admission by the respondent that the law has been violated as alleged in such complaint, or that any of the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the Federal Trade Commission Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure prescribed in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent CarePatrol is an Arizona corporation with its principal office or place of business at 625 N. Gilbert Rd., Ste. 200, Gilbert, Arizona 85234.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

## Decision and Order

**ORDER****DEFINITIONS**

For purposes of this order, the following definitions shall apply:

- A. Unless otherwise specified, “respondent” shall mean CarePatrol, Inc., its successors and assigns, and its officers, agents, representatives, and employees.
- B. “Commerce” shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
- C. “Covered service” shall mean any service involving placements in an assisted living facility.
- D. “Assisted living facility,” or “ALF” shall mean any congregate residential setting, which provides housing for persons sixty (60) years or older, as well as assistance in activities of daily living (e.g., bathing and dressing) and medication administration. The definition includes residential care facilities for the elderly (“RCFEs”), as well as any other facilities which perform the functions of ALFs or RCFEs, but excludes facilities which a state has licensed as skilled nursing facilities.
- E. “State survey” shall mean a state inspection report for an assisted living facility which describes or evaluates the facility’s performance, including any violations of applicable state statutes and regulations.

**I. Prohibited Misrepresentations; Substantiation**

- A. **IT IS ORDERED** that respondent, directly or through any corporation, subsidiary, division, franchisee, or other device, in connection with the advertising, promotion, offering for sale, or sale of any covered service in or affecting commerce, shall not represent in any manner, directly or indirectly, expressly or by implication, that:

## Decision and Order

1. It or its franchisees monitor or evaluate the care history or state violations of any number, portion, or percentage of assisted living facilities in a consumer's desired location;
2. It or its franchisees provide their services through officers, agents, employees, and/or contractors who are located in any geographic area of the United States; or
3. It or its franchisees evaluate assisted living facilities based on a review of information, including state surveys, or any other records detailing the performances of these facilities,

unless the representation is non-misleading and, at the time it is made, respondent possesses and relies upon competent and reliable evidence that, when considered in light of the entire body of relevant evidence, substantiates that the representation is true.

*Provided, however,* that any permitted claim in connection with Part I.A.3, above, shall be based on the most recent inspection record of an assisted living facility.

- B. **IT IS FURTHER ORDERED** that respondent, directly or through any corporation, subsidiary, division, franchisee or other device, in connection with the advertising, promotion, offering for sale, or sale of any covered service in or affecting commerce, shall not make any representation about its placement services in any manner, directly or indirectly, expressly or by implication, unless the representation is non-misleading and, at the time it is made, respondent possesses and relies upon competent and reliable evidence that, when considered in light of the entire body of relevant evidence, substantiates that the representation is true.

## Decision and Order

**II. Records**

**IT IS FURTHER ORDERED** that respondent CarePatrol, Inc., and its successors and assigns, shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All advertisements and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation; and
- C. All reports, studies, surveys, demonstrations, or other evidence in its possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

**III. Acknowledgments**

**IT IS FURTHER ORDERED** that respondent CarePatrol, Inc., and its successors and assigns, shall deliver a copy of this order to all current and future principals, members, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent CarePatrol, Inc., and its successors and assigns shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities. Respondent shall maintain and upon request make available to the Federal Trade Commission for inspection and copying all acknowledgments of receipt of this order obtained pursuant to this Part.

## Decision and Order

**IV. Notices**

**IT IS FURTHER ORDERED** that respondent CarePatrol, Inc., and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation or any business entity that it directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this order, including the formation of a new business entity; a dissolution, assignment, sale, merger or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. *Provided, however,* that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge.

Unless otherwise directed by a representative of the Commission in writing, all notices required by this Part shall be emailed to [Debrief@ftc.gov](mailto:Debrief@ftc.gov) or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: "CarePatrol, Inc., File No. 1123155."

**V. Reports**

**IT IS FURTHER ORDERED** that respondent CarePatrol, Inc., and its successors and assigns, within sixty (60) days after the date of service of this order, shall file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of its own compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, respondent shall submit additional true and accurate written reports.

**VI. Sunset**

This order will terminate on December 3, 2032, or twenty (20) years from the most recent date that the United States or the

## Analysis to Aid Public Comment

Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Part of this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

*Provided, further*, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

### **ANALYSIS OF CONSENT ORDER TO AID PUBLIC COMMENT**

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an agreement containing a consent order from CarePatrol, Inc. ("CarePatrol" or "respondent").

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will

## Analysis to Aid Public Comment

decide whether it should withdraw from the agreement or make the proposed order final.

The matter involves certain statements CarePatrol has made in Internet advertising regarding its placement services for seniors requiring long term care in assisted living facilities (“ALFs”) and other non-nursing home facilities servicing the frail elderly. According to the Commission’s complaint, CarePatrol made the following false and unsubstantiated claims: (a) that it monitors or grades the care history and violations of virtually all or a substantial majority of ALFs in a consumer’s desired location; (b) that its senior care consultants are located in every state; and (c) that its monitoring or grading of assisted living facilities is based on a review of the facilities’ most recent state inspection reports. Thus, the complaint states that CarePatrol has engaged in deceptive practices in violation of Section 5(a) of the FTC Act.

The proposed order contains four provisions designed to prevent CarePatrol, or other persons who are in active concert or participation with it, from engaging in similar acts and practices in the future. Part I.A.1 of the proposed order prohibits respondent from misrepresenting, or making unsubstantiated representations, that it has monitored or evaluated a number, portion, or percentage of the assisted living facilities in a consumer’s desired location.

Part I.A.2 prohibits CarePatrol from misrepresenting or making unsubstantiated representations that it or its franchisees provide placement services through a network of officers, agents, employees and contractors who are located in any geographic region.

Part I.A.3 prohibits CarePatrol from claiming that its monitoring or grading of assisted living facilities is based on a review of information contained in state inspection reports, or any other records detailing the performance of assisted living facilities, unless the claim is non-misleading and based on competent and reliable evidence. It also requires such claims to be based upon the most recent inspection reports.

Finally, Part I.B prohibits CarePatrol from making false or unsubstantiated representations regarding its placement services.

*Analysis to Aid Public Comment*

Parts II through V of the proposed order require CarePatrol to: keep copies of advertisements and materials relied upon in disseminating any representation covered by the order; provide copies of the order to certain personnel, agents, and representatives having supervisory responsibilities with respect to the subject matter of the order; notify the Commission of changes in its structure that might affect compliance obligations under the order; and file a compliance report with the Commission and respond to other requests from FTC staff. Part VI provides that the order will terminate after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or the proposed order, or to modify the proposed order's terms in any way.

## Complaint

## IN THE MATTER OF

**ABCSP, INC.**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF  
SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket No. C-4378; File No. 112 3168**Complaint, December 3, 2012 – Decision, December 3, 2012*

This consent order addresses ABCSP, Inc.’s statements made in Internet advertising regarding its placement services for seniors requiring long-term care in assisted living facilities and other non-nursing home facilities servicing the frail elderly. The complaint alleges that ABC violated of Section 5(a) of the Federal Trade Commission Act by making false and unsubstantiated claims that it, or its care coordinators, view or evaluate virtually all or a substantial majority of such facilities in every geographic region of the United States. The consent order prohibits ABC from making any false or unsubstantiated representations regarding its placement services.

*Participants*

For the *Commission*: Zachary Hunter and David R. Spiegel.

For the *Respondent*: Carl Zwisler, Gray, Plant, and Mooty.

**COMPLAINT**

The Federal Trade Commission, having reason to believe that ABCSP, Inc. (“ABC,” or “respondent”) has violated provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent is a California corporation with its principal office or place of business at 1406 Blue Oaks Blvd., Ste. 100, Roseville, CA 95747. Respondent does business under its own name as well as the name, “Always Best Care.” Respondent provides its services through a network of franchisees located throughout the United States.

2. Respondent advertises that its locally-based “care coordinators” offer consumers free assistance in obtaining placements at assisted living communities, residential care homes, and other facilities which provide care for the frail elderly. ABC