UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

FEDERAL TRADE COMMISSION, Plaintiff,

v.

MYFREEMEDICINE.COM, LLC, a California limited liability corporation, and GEOFFREY J. HASLER, individually and as a member of Myfieemedicine.com, LLC,
Defendants.

Civil No.
COMPLAINT FOR
INJUNCTIVE AND OTHER
EQUITABLE RELIEF

Plaintiff, the Federal Trade Commission ("FTC" or "the Commission"), for its complaint
against Myfreemedicine.com, LLC, and Geoffrey J. Hasler (collectively, "defendants"), alleges:
1. The FTC brings this action under Section 13(b) of the Federal Trade Commission
Act ("FTC Act"), 15 U.S.C. § 53(b), to secure preliminary and permanent injunctive relief,
restitution, rescission or reformation of contracts, disgorgement, and other equitable relief for
defendants' deceptive marketing and sale of a program purporting to provide consumers with fkee prescription medications, in violation --_-- L I--- -..l-:--~ ---LA-- :..--l-2:- :-- -..- - ..-- + +- 12 TT @ P A</-\ 1111b LUU~L llitb ~UU
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3. Venue in the Western District of Washington is proper under 15 U.S.C. § 53(b)
and 28 U.S.C. 5 1391(b).

PLAINTIFF

4. Plaintiff Federal Trade Commission is an independent agency of the United States
Government created by statute. 15 U.S.C. §§ 41-58, as amended. The Commission is charged, inter alia, with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. 3 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission is authorized to initiate federal district court proceedings by its own attorneys, to enjoin violations of the FTC Act, and to secure such equitable relief as may be appropriate in each case, including restitution for injured consumers. 15 U.S.C. § 53(b).
DEFENDANTS

5. Defendant Myfreemedicine.com, LLC ("MFM"), is a California limited liability
corporation, which lists its business office at 146 Coronado Circle, Santa Barbara, CA 93108. MFM receives mail at P.O. Box 3323, Cerritos, CA 90703, P.O. Box 99489, Louisville, KY 40269, and 280 Park Street, Lewiston, ME 04240. MFM also maintains a business office at 17 17 Alliant Ave., Suite 2, Louisville, KY. MFM transacts or has transacted business in the Western District of Washington.
6. Defendant Geoffrey J. Hasler is the sole owner and member of MFM. At all times
material to this complaint, alone or acting in concert with others, he has formulated, directed, controlled, or participated in the acts and practices of MFM. He transacts or has transacted business in the Western District of Washington.
COMMERCE

7. At all times relevant to this complaint, defendants have maintained a substantial
course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

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DEFENDANTS' COURSE OF CONDUCT

8. Since at least September 2003, defendants have deceptively marketed a program
purporting to provide free prescription medications to eligible low-income consumers. Defendants target a particularly vulnerable group of people: those with low income and no insurance coverage for prescription medications who spend more than $100 a month for the medications they need for their health and well-being. These people may be eligible to obtain prescription medications for free through one or more of the many patient assistance programs ("PAPS") operated by pharmaceutical companies.
9. Consumers learn of MFM's program via television advertising that invites
consumers to call a toll free number for information about how they can get their prescription medications for free. The television ad includes statements such as, "Now, you may not have heard of it before, but if you're not covered by insurance and you're eligible, you could get all your medication free. That's right. All of your prescriptions absolutely free."
10. Consumers who call defendants' toll free number are often told by defendants'
sales representatives that they are eligible to receive free medicine, that their specific prescription medications are available for free, and that MFM can obtain their specific medications for them for free without ascertaining whether consumers are eligible to receive free medications from a PAP or their specific medications are available for free from a PAP. Defendants' sales representatives make these statements. In some instances, defendants' representatives do not even ask consumers questions about their income and the prescription medications they are taking before telling them they are eligible and that all their medications are available for free. Defendants charge consumers $199.95 to enroll in their program.
11. In fact, after paying the fees for defendants' program, many consumers learn that
they are not eligible to receive their prescription medications for free from a PAP or that their prescriptions are not available from a PAP.
12. Defendants' sales representatives also tell consumers over the telephone that
MFM deals directly with pharmaceutical companies and the federal government to obtain free

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prescription medications for consumers, which defendants supply directly to consumers or their doctors once the consumer is registered with the MFM program. Contrary to defendants' representations, defendants do not deal directly with pharmaceutical companies or the government to obtain prescription drugs for consumers. Defendants' program consists only of selling consumers PAP application forms. In some instances defendants do not even send consumers the correct forms. Consumers must fill out the forms and have their doctor fill out the portion of the forms for physicians. Consumers must then send the forms directly to pharmaceutical companies themselves.
13. On their website and in telephone conversations with consumers, defendants have
a stated policy of giving pro-rata refunds of the MFM fee to consumers for any prescription drugs that the consumer is not able to obtain for free through the MFM program. Defendants, however, routinely deny all requests for refunds.
VIOLATIONS OF SECTION 5 OF THE FTC ACT

14. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits unfair or deceptive acts
or practices in or affecting commerce.
15. Misrepresentations of material fact constitute deceptive acts or practices
prohibited by Section 5(a) of the FTC Act, 15 U.S.C. 3 45(a).

COUNT ONE

16. In connection with the marketing, offering for sale, or sale of the MFM program,
defendants represent, expressly nr hy i~llp!iratinn, that:
a. Consumers are eligible to receive prescription medications for free;
b. Consumers' specific prescription medications are avaiiabie from a

e. Consumers who do not receive their medications for free will receive a
pro-rata refund from defendants.
17. In truth and in fact, in numerous instances:
a. Consumers are not eligible to receive prescription medications for free;
b. Consumers' specific prescription medications are not available from a

CONSUMER INJURY

22. Consumers throughout the United States have suffered, and continue to suffer.
substantial monetary loss as a result of defendants' unlawful acts and practices. In addition, defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief, defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public.
THIS COURT'S POWER TO GRANT RELIEF

23. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes this Court to issue a
permanent injunction against defendantsJ violations of the FTC Act and, in the exercise of its equitable jurisdiction, to order such ancillary relief as temporary and preliminary injunctions, rescission, restitution, and disgorgement of profits resulting from defendantsJ unlawhl acts or practices, and other remedial measures.
PRAYER FOR RELIEF

WHEMFORE, plaintiff Federal Trade Commission, pursuant to Section 13(b) of the
FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:
24. Award plaintiff such preliminary injunctive and ancillary relief as may be
necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including, but not limited to, temporary and preliminary injunctions, appointment of a receiver, and an order freezing assets;
25. Permanently enjoin defendants from violating the FTC Act, as alleged herein;
26. Award such relief as the Court finds necessary to redress in$-~ry to cnnsllmers
resulting from defendants' violations of the FTC Act, including, but not limited to, rescission or reformation ef contracts, restitution, refind of monies paid, and disgorgeineili of ill-gotten monies; and

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27. Award plaintiff the costs of bringing this action, as well as such other and

additional relief as the Court may determine to be just and proper.

Respectfully submitted,

William Blumenthal
General Counsel

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