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 325 N. Gilbert Rd., Ste. 320, 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 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 lobbies** to monitor each community's care history and state violations so we can recommend:

The Safest Options For Your Loved One

# **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 y

### 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 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**

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

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
- 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