

**IN THE COURT OF COMMON PLEAS OF
DAUPHIN COUNTY, PENNSYLVANIA
CIVIL ACTION**

COMMONWEALTH OF PENNSYLVANIA	:	
OFFICE OF ATTORNEY GENERAL	:	_____ Term, 2021
	:	
PETITIONER	:	No.
	:	
v.	:	CIVIL ACTION - EQUITY
	:	
FREEDOM HEALTHCARE OF AMERICA, LLC	:	
d/b/a ADDICTION CAMPUSES OF AMERICA	:	
	:	
RESPONDENT	:	

ASSURANCE OF VOLUNTARY COMPLIANCE

AND NOW, comes the Commonwealth of Pennsylvania, Office of Attorney General, acting by Attorney General Josh Shapiro, (“Commonwealth” and/or “Petitioner“), which caused an investigation to be made into the business practices of respondent, Freedom Healthcare of America, LLC d/b/a Addiction Campuses of America (the “Respondent”), pursuant to the provisions of the Pennsylvania *Unfair Trade Practices and Consumer Protection Law*, 73 P.S. §§ 201-1, *et seq.* (“Consumer Protection Law”), and states the following:

PARTIES

WHEREAS, Petitioner is the Commonwealth of Pennsylvania, acting by Attorney General Josh Shapiro, with offices located at Strawberry Square, 15th Floor, Harrisburg, PA 17120;

WHEREAS, Respondent is a for-profit Delaware limited liability company, doing business as Addiction Campuses of America with a principal place of business located at 5211 Maryland Way, Suite 1080, Brentwood, Tennessee 37027-5011;

WHEREAS, neither Respondent nor any fictitious name through which Respondent operates is registered to do business in the Commonwealth of Pennsylvania with the Pennsylvania

Department of State, Bureau of Corporations and Charitable Organizations: Corporations Section under Section 303(b) of the *Fictitious Names Act*, 54 Pa.C.S. §§ 301, *et seq.* (“*Fictitious Names Act*”), 54 Pa.C.S. § 303(b);

BACKGROUND

WHEREAS, Respondent is the owner of addiction treatment providers and a website, <https://www.drugrehab.org> (the “Website”), that, for a time, was a directory-styled, third-party referral website that Pennsylvanians interacted with and through which Respondent referred Pennsylvania consumers to its own treatment providers;

WHEREAS, Respondent’s treatment providers, The Bluffs, The Treehouse, Swiftriver and Turningpoint, are located in Ohio (less than an hour from the Pennsylvania border), Massachusetts, Mississippi and Texas;

WHEREAS, Respondent has engaged in trade and commerce within the Commonwealth of Pennsylvania by, *inter alia*, selling, providing, advertising, marketing, offering, referring and negotiating the sale of addiction treatment services;

WHEREAS, since 2015, Respondent has engaged at least 4,837 Pennsylvania consumers with at least 188 Pennsylvanians having been admitted into Respondent’s treatment providers generating substantial revenue for Respondent;

WHEREAS, during the time in question, Respondent used, without authorization or license, in advertising and marketing materials, including the Website, the intellectual property, name and information of third-party treatment providers that were not owned or operated by Respondent and for which Respondent did not have a current ongoing relationship of clinical collaboration;

WHEREAS, during the time in question, Respondent’s advertising and marketing by and through the Website may have misrepresented to the consumer that it was an impartial, third-party resource;

WHEREAS, during the time in question, on the Website, Respondent’s own prominently displayed phone numbers were placed in close proximity to the third-party treatment providers;

WHEREAS, generally, and particularly for consumers seeking information for a particular treatment provider, during the time in question, Respondent did not prominently display and make clear in its marketing materials, including the Website, that it was owned and operated by Respondent and published for the benefit of Respondent’s treatment providers;

WHEREAS, during the time in question, Respondent placed its own number without adequate branding which, it is alleged, had the effect of targeting, confusing and/or surreptitiously misdirecting consumers of substance use disorder treatment away from their sought after treatment providers and toward Respondent’s treatment providers;

WHEREAS, the Website advertised and funneled consumers to “treatment specialists” for the consumer to call to decide which treatment provider to use for their treatment;

WHEREAS, it is alleged that use of terms such as “treatment specialist” implied to the consumer that the Website was a third-party referral site and that a “treatment specialist” would provide an independent and informed recommendation to those in need of addiction treatment;

WHEREAS, it is alleged that Respondent’s “treatment specialists” have no particular training or experience and refer consumers almost exclusively to Respondent’s treatment providers;

WHEREAS, it is alleged that the use of treatment providers not in any way affiliated with some treatment centers listed on the Website, lack of branding, and implicit misrepresentation as

a neutral, third party directory, during the time in question, all had the effect of confusing and deceiving consumers to steer consumers to Respondent's own treatment providers for Respondent's sole pecuniary benefit;

WHEREAS, the Commonwealth is concerned for and seeks to protect those consumers, particularly Pennsylvanians in need of and seeking to overcome the grips of addiction through treatment, from such deceptive marketing practices;

ALLEGED VIOLATIONS

WHEREAS, based upon its investigation, the Commonwealth believes that, during the time in question, Respondent engaged in conduct which violated the Consumer Protection Law, as "unfair methods of competition" and/or "unfair or deceptive acts or practices," in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(i), (ii), (iii), (v) and (xxi) as more fully set forth below:

1. Using advertising and marketing materials, including the Website, that misrepresents to Pennsylvanians that Respondent is an impartial, third-party resource for Pennsylvanians seeking an addiction treatment provider, in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4) (i), (ii), (iii), (v) and (xxi), 73 P.S. § 201-2(4)(i), (ii), (iii), (v) and (xxi);
2. Referencing a treatment facility or provider that was not owned and/or operated by Respondent or that Respondent had a current ongoing relationship of clinical collaboration with, on the Website or any marketing materials, in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4) (i), (ii), (iii), (v) and (xxi), 73 P.S. § 201-2(4)(i), (ii), (iii), (v) and (xxi);
3. Inadequately branding advertising and marketing materials, including the Website, in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4) (i), (ii), (iii), (v) and (xxi), 73 P.S. § 201-2(4)(i), (ii), (iii), (v) and (xxi);
4. Passing off goods or services as those of another in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(i), 73 P.S. § 201-2(4)(i);

5. Causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(ii), 73 P.S. § 201-2(4)(ii);
6. Causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another, in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(iii), 73 P.S. § 201-2(4)(iii);
7. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have, in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(v), 73 P.S. § 201-2(4)(v);
8. Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, in violation of Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(xxi), 73 P.S. § 201-2(4)(xxi);

WHEREAS, the described Website is no longer in operation and Respondent has represented that the underlying marketing model discussed herein will no longer be used;

WHEREAS, Respondent has ceased and desisted from violating the Consumer Protection Law as set forth above; and desires to comply with the civil laws of the Commonwealth of Pennsylvania;

WHEREAS, pursuant to Section 201-5 of the Consumer Protection Law, this Assurance of Voluntary Compliance (“AVC”) shall not be considered an admission by Respondent of a violation of the Consumer Protection Law for any purpose. 73 P.S. § 201-5;

WHEREAS, Respondent acknowledges that it had the representation, advice and counsel of an attorney of their choosing regarding the negotiation and execution of this AVC, and has been advised by its legal counsel of the meaning and effect of this AVC;

WHEREAS, this AVC is accepted by the Commonwealth pursuant to Section 201-5 of the Consumer Protection Law, in lieu of commencing statutory proceedings provided under Sections 201-4 and 201-8 of the Consumer Protection Law; and

WHEREAS, this AVC fully and finally resolves the aforesaid investigation.

SETTLEMENT TERMS

NOW THEREFORE, having conducted trade and commerce within the Commonwealth, Respondent agrees itself, its successors, assigns, officers, partners, agents, representatives, employees, franchisees, retail divisions or stores and all other persons acting on its behalf, jointly, individually, directly or indirectly, or through any corporate or business device, as follows:

I. The above recitals are incorporated herein as though fully set forth.

II. Injunctive and Affirmative Relief

A. The forgoing recitals are incorporated herein by reference as though fully set forth.

B. Respondent SHALL comply with any and all provisions of the Consumer Protection Law and any amendments thereto; and, is permanently enjoined from any violation thereof;

C. Respondent SHALL NOT own, operate, use or otherwise control any directory-style websites, including the Website, or distribute any marketing materials that refer to any treatment facility or provider that is not owned and/or operated by Respondent in a way that is likely to mislead consumers, except that Respondent may continue to reference treatment providers with whom it has a current and ongoing relationship of clinical collaboration;

D. Respondent SHALL NOT use misleading language in advertising, including, but not limited to search engine ads with language in the heading or ad text that includes the name of another treatment center, including locations where services are not provided or for services for which the Respondent is not licensed;

E. Respondent SHALL prominently display on all of Respondent's websites, advertisements, marketing, and promotional materials, including advertisements placed through third parties, the treatment center and primary brand it uses to identify Respondent and/or a treatment facility or provider that is owned and/or operated by Respondent, and clearly indicate that such materials are published solely on behalf of, and for the benefit of, Respondent and/or a treatment facility or provider that is owned and/or operated by Respondent, and/or a treatment provider with whom it has a current and ongoing relationship of clinical collaboration;

F. Respondent SHALL provide prominent information in all its advertising, on its websites, and in its collateral marketing materials about the type and model of services, corporate entity, treatment program brand, licensing, accreditation, location of facility or facilities, and staff credentials;

G. Respondent SHALL have all telephone operators or other professionals answering any telephone calls or electronic communications from prospective patients on behalf of Respondent clearly indicate that they are answering such calls or responding to such communications on behalf of Respondent and/or a treatment facility or provider that is owned and/or operated by Respondent;

H. Respondent SHALL employ professional and credentialed staff, where credentialing is applicable, who subscribe to the professional and ethical standards of their disciplines;

I. Respondent SHALL NOT misrepresent that it is a third-party or use deceptive terms in its advertising and marketing;

J. Respondent SHALL NOT engage in patient brokering and SHALL NOT offer or receive financial rewards, substantive gifts, or other remuneration for patient referral;

K. Respondent SHALL NOT provide compensation for a patient referral;

L. Respondent MAY refer families or individuals to treatment or recovery support professionals, including interventionists, continuing care providers, monitoring agencies, and referral sources that offer services to patients; however, Respondent SHALL NOT compensate such individuals or organizations in exchange for referrals, either in the form of direct payment, consulting contracts, fee splitting, or other compensation;

M. Respondent SHALL NOT engage in the buying and selling of patient leads including phone calls and any collection or aggregation of leads for compensation is prohibited regardless of origination source, i.e. television ad, online directory, or other source;

N. Respondent SHALL comply with all state and federal regulations and licensing requirements;

O. Respondent SHALL NOT engage in false, deceptive or misleading statements, advertising or marketing practices, including, but not limited to, services, license and accreditation misrepresentation(s);

P. Respondent SHALL comply with Section 303(b) of the *Fictitious Names Act*, 54 Pa.C.S. § 303(b); and

Q. Respondent SHALL NOT, in the future, engage in conduct which violates the Consumer Protection Law, and any future amendments thereto, specifically including, but not limited to:

1. Passing off goods or services as those of another, as prohibited by Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(i), 73 P.S. § 201-2(4)(i);
2. Causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services, as prohibited by Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(ii), 73 P.S. § 201-2(4)(ii);

3. Causing a likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another, as prohibited by Section 201-2(4)(iii) of the Consumer Protection Law, 73 P.S. § 201-2(4)(iii);

4. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation or connection that he does not have, as prohibited by Section 201-2(4)(v) of the Consumer Protection Law, 73 P.S. § 201-2(4)(v); and

5. Engaging in other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, as prohibited by Section 201-2(4)(xxi) of the Consumer Protection Law, 73 P.S. § 201-2(4)(xxi).

III. Monetary Relief

A. Respondent shall be liable for and shall remit to the Commonwealth the total payment of One Hundred Thousand and 00/100 Dollars (“Monetary Payment”), representing the following amounts:

1. Eighty-Eight Thousand and 00/100 Dollars (\$88,000.00) (“Charitable Contribution”) which shall be distributed to a non-profit charitable organization or organizations located in the Commonwealth of Pennsylvania, which shall be determined at the sole discretion of the Commonwealth at a later date, for the purpose of providing financial assistance for Pennsylvania residents receiving drug addiction treatment services who are in need of financial assistance for such services; and
2. Twelve Thousand and 00/100 Dollars (\$12,000.00) (“Costs”) to be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, to reimburse the costs incurred in pursuing this enforcement action, and to be deposited in an interest-bearing account from which both

principal and interest shall be expended for future public protection and education purposes.

B. Upon its execution of this Assurance of Voluntary Compliance, Respondent shall pay the Monetary Payment by wire, certified check, cashier's check, attorney check, or money order, made payable to the Commonwealth of Pennsylvania, Office of Attorney General, Bureau of Consumer Protection, and forward to John Abel, 15th Floor, Strawberry Square, Harrisburg, Pennsylvania 17120 or by the specific wire instructions provided by the Commonwealth.

IV. Miscellaneous Terms

A. The Court of Common Pleas of Pennsylvania, Dauphin County shall maintain jurisdiction over the subject matter of this AVC and over the Respondent for purpose of enforcement of the terms of this AVC.

B. Time shall be of the essence with regards to Respondent's obligations hereunder.

C. Respondent further agrees to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this AVC, whether required prior to, contemporaneous with or subsequent to the Effective Date, as defined herein.

D. Respondent understands and agrees that if any false statement was made in or related to this AVC, that such statement is made pursuant to and under penalty of 18 Pa.C.S. § 4904 relating to unsworn falsifications to authorities.

E. This AVC may be executed in any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts of this AVC may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof.

F. This AVC sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied. There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this AVC that are not fully expressed herein or attached hereto. Each party specifically warrants that this AVC is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

G. Respondent agrees by the signing of this AVC that Respondent shall abide by each of the aforementioned provisions and that the breach of any one of these terms shall be sufficient warrant for the Commonwealth of Pennsylvania to seek penalties provided for under Section 2018(a) of the Consumer Protection Law, 73 P.S. § 201-8(a), and to seek restitution and/or any other equitable relief which the Court deems necessary or proper, up to and including forfeiture of the right to engage in trade or commerce within the Commonwealth of Pennsylvania.

H. Any failure of the Commonwealth to exercise any of its rights under this AVC shall not constitute a waiver of its rights hereunder.

I. The “Filing Date” and “Effective Date” of this AVC shall mean the date that it is filed with the Court.

J. If any clause, provision or section of this AVC shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this AVC and this AVC shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

K. Respondent shall not represent or imply that the Commonwealth acquiesces in, or approves of, Respondent's past or current business practices, efforts to improve its practices, or any future practices that Respondent may adopt or consider adopting.

L. The undersigned is authorized to enter into and execute this AVC by and on behalf of Respondent and Respondent has been represented by legal counsel and has been advised by its legal counsel of the meaning and effect of this AVC.

M. Respondent shall not, directly or indirectly, form a separate entity or corporation for the purpose of engaging in acts prohibited by this AVC or for the purpose of circumventing this AVC.

N. Neither Petitioner nor Respondent shall be considered the drafter of this AVC or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this AVC.

WHEREFORE, intending to be legally bound, the parties have hereto set their hands and seals.

SIGNATURES ON SEPARATE PAGE(S)

For the Petitioner:

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL

JOSH SHAPIRO
ATTORNEY GENERAL

Date: 2/11/2021

By: /s/John M. Abel

John Abel
Senior Deputy Attorney General
Assistant Director for Multistate
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For the Respondent:

FREEDOM HEALTHCARE OF AMERICA, LLC

A handwritten signature in black ink, appearing to read "Matt Morgan", written in a cursive style.

Date: 02/11/2021

By: _____
Matt Morgan, Managing Member

