

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of ABCSP, Inc., File No. 1123168

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an agreement containing a consent order from ABCSP, Inc. (“ABC” 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 decide whether it should withdraw from the agreement or make the proposed order final.

The matter involves certain statements ABC 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, ABC made 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. Thus, the complaint states that ABC has engaged in deceptive practices in violation of Section 5(a) of the FTC Act.

The proposed order contains two provisions designed to prevent ABC, 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 prohibits respondent from misrepresenting or making unsubstantiated representations that it, or its agents, personally view, inspect, or monitor assisted living facilities, including representations that it personally views, inspects, or monitors any particular number, portion, or percentage of ALFs in a geographic region.

Part I.B prohibits ABC from making any false or unsubstantiated representations regarding its placement services.

Parts II through V require ABC 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.