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13 FEDERAL TRADE COMMISSION

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA

16 FEDERAL TRADE COMMISSION,

17 Plaintiff,

18 v.

19 HEALTH CARE ONE LLC, an Arizona
20 limited liability company, also d/b/a
21 "HealthcareOne," "Americans4
22 Healthcare," "Citizens4Healthcare,"
23 "American Eagle Healthcare,"
24 "EasyLife Healthcare," "Elite
25 Healthcare," "Global Healthcare," and
26 "Republic Healthcare";

27 AMERICANS4HEALTHCARE INC., a
28 Delaware corporation;

MICHAEL JAY ELLMAN, an
individual;

ELITE BUSINESS SOLUTIONS, INC.,
a Nevada corporation, also d/b/a
"EasyLife Healthcare," "Elite
Healthcare" and "Republic Healthcare";

ROBERT DANIEL FREEMAN, a/k/a
Dan Freeman, an individual;

Defendants.

Case no SACV10-1161 JVS(RNBx)

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF

2010 AUG -3 AM 10:26
U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.

FILED

1 Plaintiff, the Federal Trade Commission (“FTC”), for its complaint alleges:

2 1. The FTC brings this action under Sections 13(b) and 19 of the Federal
3 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the
4 Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing
5 Act”), 15 U.S.C. §§ 6101-6108, to obtain temporary, preliminary, and permanent
6 injunctive relief, rescission or reformation of contracts, restitution, the refund of
7 monies paid, disgorgement of ill-gotten monies, the appointment of a receiver, and
8 other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of
9 the FTC Act, 15 U.S.C. § 45(a), and the FTC’s Telemarketing Sales Rule (“TSR”),
10 16 C.F.R. Part 310.

11 **JURISDICTION AND VENUE**

12 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C.
13 §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 57b, 6102(c), and
14 6105(b).

15 3. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c), and
16 15 U.S.C. § 53(b).

17 **PLAINTIFF**

18 4. The FTC is an independent agency of the United States Government
19 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC
20 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or
21 affecting commerce. The FTC also enforces the TSR, 16 C.F.R. Part 310, which
22 prohibits deceptive and abusive telemarketing acts or practices.

23 5. The FTC is authorized to initiate federal district court proceedings, by
24 its own attorneys, to enjoin violations of the FTC Act and the TSR and to secure
25 such equitable relief as may be appropriate in each case, including rescission or
26 reformation of contracts, restitution, the refund of monies paid, and the disgorgement
27 of ill-gotten monies. 15 U.S.C. §§ 53(b), 56(a)(2)(A), 56(a)(2)(B), 57b, 6102(c), and
28 6105(b).

DEFENDANTS

1
2 6. Defendant **Health Care One LLC** (“Health Care One”), also doing
3 business as “HealthcareOne,” “Americans4 Healthcare,” “Citizens4Healthcare,”
4 “American Eagle Healthcare,” “EasyLife Healthcare,” “Elite Healthcare,” “Global
5 Healthcare,” and “Republic Healthcare,” is an Arizona limited liability company
6 with its principal place of business at 3220 S. Fair Lane, Suite 12, Tempe, Arizona
7 85282. Health Care One transacts or has transacted business in this district and
8 throughout the United States. At all times material to this Complaint, acting alone or
9 in concert with others, Health Care One has advertised, marketed, distributed or sold
10 a healthcare discount program to consumers throughout the United States.

11 7. Defendant **Americans4Healthcare Inc.** (“Americans4Healthcare”) is a
12 Delaware corporation with its principal place of business in Newport Beach,
13 California. Americans4Healthcare transacts or has transacted business in this district
14 and throughout the United States. At all times material to this Complaint, acting
15 alone or in concert with others, Americans4Healthcare has advertised, marketed,
16 distributed or sold a healthcare discount program to consumers throughout the
17 United States.

18 8. Defendant **Michael Jay Ellman** (“Ellman”) is the managing member of
19 Health Care One and the sole director of Americans4Healthcare. At all times
20 material to this Complaint, acting alone or in concert with others, he has formulated,
21 directed, controlled, had the authority to control, or participated in the acts and
22 practices of Health Care One and Americans4Healthcare, including the acts and
23 practices set forth in this Complaint. Ellman resides in this district and, in
24 connection with the matters alleged herein, transacts or has transacted business in
25 this district and throughout the United States.

26 9. Defendant **Elite Business Solutions, Inc.** (“Elite Business Solutions”),
27 also doing business as “Elite Healthcare,” “Easy Life Healthcare,” and “Republic
28 Healthcare,” is a Nevada corporation with its principal place of business consisting

1 of a private mail box located at Pacific Mail, 17595 Harvard Avenue, Suite C2150,
2 Irvine, California 92614. Elite Business Solutions transacts or has transacted
3 business in this district and throughout the United States. At all times material to
4 this Complaint, acting alone or in concert with others, Elite Business Solutions has
5 advertised, marketed, distributed or sold a healthcare discount program to consumers
6 throughout the United States.

7 10. Defendant **Robert Daniel Freeman**, also known as Dan Freeman
8 (“Freeman”), is the president, secretary, treasurer, and owner of Elite Business
9 Solutions. At all times material to this Complaint, acting alone or in concert with
10 others, he has formulated, directed, controlled, had the authority to control, or
11 participated in the acts and practices of Elite Business Solutions, including the acts
12 and practices set forth in this Complaint. Freeman resides in this district and, in
13 connection with the matters alleged herein, transacts or has transacted business in
14 this district and throughout the United States.

15 **COMMON ENTERPRISE**

16 11. Health Care One and Americans4Healthcare have operated together as a
17 common enterprise in conducting the business practices described in this Complaint.
18 Health Care One and Americans4Healthcare are interrelated companies that have
19 common ownership, officers, managers, and business functions. Ellman has
20 formulated, directed, and/or controlled or had authority to control, or participated in
21 the acts and practices of Health Care One and Americans4Healthcare that comprise
22 the common enterprise.

23 **COMMERCE**

24 12. At all times material to this Complaint, Defendants have maintained a
25 substantial course of trade in or affecting commerce, as “commerce” is defined in
26 Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS' UNLAWFUL BUSINESS PRACTICES

1
2 13. Since 2006, Health Care One has been a seller and marketer of a
3 “national healthcare discount program” which masquerades as health insurance and
4 promises to save consumers money on their healthcare costs. Enrollment is offered
5 at various price points, ranging from \$79.95 to \$99.95 per month, with a one-time
6 enrollment fee typically around \$100.

7 14. Health Care One markets this program through television and radio
8 commercials, through Internet websites, through telemarketing, and through
9 submarketers, operating under trade names which include “American Eagle
10 Healthcare,” “EasyLife Healthcare,” “Elite Healthcare,” “Global Healthcare,” and
11 “Republic Healthcare.”

12 15. Since 2007, Elite Business Solutions has been a submarketer of Health
13 Care One’s national healthcare discount program. It markets Health Care One’s
14 program under the names “Elite Healthcare,” “Republic Healthcare,” and “Easy Life
15 Healthcare” through Internet websites and through telemarketing.

16 16. Since 2009, Americans4Healthcare has served as a sales lead generator,
17 soliciting uninsured consumers to enroll in Health Care One’s program through
18 television commercials, Internet websites, and telemarketing.

19 17. Defendants have made numerous material misrepresentations to
20 consumers in the course of marketing and selling Health Care One’s program. These
21 misrepresentations can be grouped into five categories:

- 22 a. that the program offered is health insurance;
- 23 b. that the program is affiliated with, or endorsed or sponsored by, the
24 federal government;
- 25 c. that enrollment in the program will result in substantial healthcare
26 savings to the consumer;
- 27 d. that the consumer will be able to obtain program benefits from the
28 consumer’s current healthcare providers and from other healthcare

1 providers in the consumer's local community; and

- 2 e. that Health Care One and Elite Business Solutions will refund the
3 money the consumer has paid to enroll in the program if the consumer
4 submits a cancellation request before the thirty-day trial period expires.

5
6 **Representations that Health Care One's program is health insurance**

7 18. In their television commercials, radio commercials, and inbound and
8 outbound telemarketing campaigns, Health Care One, Americans4Healthcare, and
9 Elite Business Solutions represent that Health Care One's program is health
10 insurance.

11 19. Health Care One's, Americans4Healthcare's, and Elite Business
12 Solutions' telemarketers represent that Health Care One's program is health
13 insurance. In some cases, the telemarketers make the representation explicitly, using
14 the term "insurance" to describe the program. In other cases, the telemarketers use
15 terms typically associated with health insurance, such as "premiums," "co-pays,"
16 "deductibles," and "coverage."

17 20. Health Care One's and Americans4Healthcare's advertisements also
18 lead consumers to believe that Health Care One's program is health insurance by
19 referring extensively to health insurance and President Obama's national healthcare
20 reform agenda.

- 21 a. Health Care One's and Americans4Healthcare's television commercials,
22 for example, are styled to appear as an "emergency broadcast" which
23 "interrupts" regularly-scheduled television programming to announce
24 the latest developments in President Obama's healthcare reform agenda
25 to provide nationwide universal health insurance. These commercials
26 are expressly addressed to "*uninsured Americans*." They highlight the
27 documented harm that consumers will suffer if they do not have access
28

1 to health insurance.

2 b. In one of its typical television commercials, Health Care One states as
3 follows:

4 *The New York Times* reported that having no insurance leads to
5 poor health and lack of early detection of potentially fatal
6 conditions. Stop putting your health at risk. Start protecting
7 yourself and your family today.

8 c. One of the television commercials for Americans4Healthcare and
9 Health Care One (identifying itself in the commercials as “Citizens 4
10 Healthcare”) begins with the following announcement: “*We interrupt*
11 *this program with an important health care bulletin.*” It then shows a
12 video of a portion of President Obama’s September 9, 2009 remarks on
13 healthcare to a joint session of Congress, in which the President states:
14 “. . . and show the American people that we can still do what we were
15 sent here to do. Now’s the time to deliver on health care.” An
16 unidentified announcer then states that there is “*immediate availability*”
17 of a healthcare plan “*for all uninsured Americans.*”

18 21. Health Care One’s radio commercials also convey the impression that
19 Health Care One’s program is health insurance. One radio commercial describes
20 Health Care One’s program as a “national family health care plan.” The radio
21 commercial begins by announcing: “*Good news for uninsured Americans – now a*
22 *national family health care plan for under three dollars a day.*” Both the television
23 and radio commercials lead consumers to reasonably believe that the program being
24 offered is health insurance.

25 22. Health insurance generally involves an arrangement between an
26 insurance company and a consumer in which the insurance company agrees to pay a
27 substantial portion of the healthcare expenses that the consumer might incur in
28 exchange for payment from the consumer. Under Health Care One’s program, in

1 contrast, the consumer pays Defendants for access to purportedly pre-negotiated
2 discounts on healthcare services and products. Health Care One does not pay the
3 healthcare providers any portion of the consumer's healthcare expenses. The
4 consumer is responsible for paying the healthcare providers the entire discounted fee.

5 23. Healthcare One's program is not health insurance, a fact that many
6 consumers do not realize until after they pay the enrollment fees, receive written
7 program materials in the form of a pamphlet and "membership cards" in the mail,
8 and review those materials. The pamphlet includes the following disclosure: "THIS
9 PLAN IS NOT HEALTH INSURANCE."

10 **Representations that Health Care One's program is**
11 **affiliated with, or endorsed or sponsored by, the federal government**

12 24. Health Care One and Americans4Healthcare (holding themselves out as
13 "Health Care One," "Americans4Healthcare," and "Citizens 4 Healthcare") represent
14 that Health Care One's program is affiliated with, or endorsed or sponsored by, the
15 federal government through their television commercials, their telemarketing, and
16 the websites www.americans4healthcare.com, www.a4hrx.com, and
17 www.citizens4healthcare.com.

18 25. Many consumers are first introduced to the idea that Health Care One's
19 program is a government program by Health Care One's and
20 Americans4Healthcare's television commercials. Health Care One's and
21 Americans4Healthcare's television commercials are styled as an "emergency
22 broadcast" which "interrupts" regularly-scheduled television programming to
23 announce the latest developments in President Obama's healthcare reform agenda.
24 One of Health Care One's television commercials describes its program as a
25 "*national healthcare discount program*" with "*daily registration limits.*" A similar
26 theme is incorporated into an Americans4Healthcare's commercial, which begins by
27 announcing: "*We interrupt this program with an important health care bulletin.*" It
28 then shows an excerpt of President Obama's September 9, 2009 remarks on

1 healthcare to a joint session of Congress, in which the President states: “. . . and
2 *show the American people that we can still do what we were sent here to do. Now’s*
3 *the time to deliver on healthcare.*” An announcer then breaks in to offer limited but
4 *“immediate availability of an affordable healthcare discount plan for all uninsured*
5 *Americans.”* This narration is accompanied by images of President Obama, the
6 American bald eagle, and the Capitol Building.

7 26. Citizens 4 Healthcare’s television commercial goes even further, by
8 implying that it has been authorized by the federal government to offer Health Care
9 One’s program. The commercial begins with the announcement: *“Breaking*
10 *Healthcare News - This is a Healthcare Alert for all uninsured Americans.”* It then
11 features a different excerpt of President Obama’s September 9, 2009 remarks to
12 Congress, in which the President states: *“No American should be without healthcare.*
13 *. . . No one should go broke because they get sick. That is heartbreaking, it is wrong*
14 *and no one should be treated that way in the United States of America.”* A
15 spokesperson then breaks in, to announce that Citizens 4 Healthcare *“is now*
16 *authorized to offer”* the program. Like Americans4Healthcare’s commercial, this
17 commercial is also accompanied by images of President Obama, the American bald
18 eagle, and the Capitol Building.

19 27. Health Care One’s, Americans4Healthcare’s, and Elite Business
20 Solutions’ telemarketers also represent that Health Care One’s program is affiliated
21 with, or endorsed or sponsored by, the federal government. The specific
22 representations that Defendants’ telemarketers make vary but include describing the
23 program as part of the “Obama/Biden healthcare package.”

24 28. Health Care One’s and Americans4Healthcare’s websites similarly
25 imply that Health Care One’s program is affiliated with, or endorsed or sponsored
26 by, the federal government. Like their television commercials, these websites are
27 designed to resemble an “official” news bulletin. The website
28 www.americans4healthcare.com prominently displays images of the White House,

1 the American bald eagle, and the American flag, and reads as follows:

2 *HEALTHCARE BULLETIN! AMERICANS4HEALTHCARE ANNOUNCES*
3 *IMMEDIATE AVAILABILITY OF AN AFFORDABLE HEALTHCARE*
4 *DISCOUNT PLAN FOR ALL UNINSURED AMERICANS.” Over 500,000*
5 *Healthcare Providers nationwide – Doctors, Hospitals, Dentists &*
6 *Pharmacies – are now joined with Americans 4 Healthcare to bring you*
7 *quality Healthcare Protection at 20 to 60% savings for UNDER \$3 A DAY.*
8 *CLICK TO CALL NOW. ENTER YOUR PHONE NUMBER BELOW ... We will*
9 *call you in 15 Seconds or less.*

10 29. The website www.citizens4healthcare.com includes the same
11 “Healthcare Bulletin!” and prominently displays images of President Obama with the
12 quote: “*No one should go broke if they get sick,*” the American flag, and the Statue
13 of Liberty.

14 30. Defendants’ advertisements lead consumers to reasonably believe that
15 Health Care One’s program is affiliated with, or endorsed or sponsored by, the
16 federal government. It is not.

17 **Savings claims**

18 31. A central theme of Defendants’ marketing campaign is that Health Care
19 One’s program will save consumers significant amounts of money.

20 32. Health Care One’s and Americans4Healthcare’s television commercials,
21 for example, are addressed to the millions of “uninsured Americans” and represent
22 their program as “an affordable national healthcare discount program that can save
23 you 20-60% on doctors, hospitals, labs, prescription drugs, and more.” Citizens 4
24 Healthcare’s television commercial couples this savings claim with a video featuring
25 President Obama’s September 9, 2009 remarks on healthcare to Congress, where he
26 asserts:

27 *No American should be without healthcare. . . . No one should go broke*
28 *because they get sick. That is heartbreaking, it is wrong and no one*

1 *should be treated that way in the United States of America.*

2 33. Health Care One's radio commercial and the websites,
3 www.americans4healthcare.com and www.citizens4healthcare.com, all claim that
4 Health Care One's program will save consumers "up to 60% on doctors, hospitals,
5 dental, RX and more." Other websites (www.healthcareone.com,
6 www.elitehealthcareinc.com, www.republichealthcare.com, and
7 www.easylifehealthcare.com) operated by Health Care One and Elite Business
8 Solutions also contain material representations about the savings which consumers
9 will achieve through the program. These websites claim savings of up to 50%.
10 Similarly, the website www.a4hrx.com represents that its free "national Rx discount
11 card" will provide savings of "20-60%" at "[o]ver 60,000 Retail Pharmacies."

12 34. Health Care One's and Elite Business Solutions' telemarketers go even
13 further, claiming that Health Care One's program will provide consumers with
14 savings of "at least 60%" and even 80%-90%.

15 35. In fact, consumers are unable to realize the purported savings touted by
16 Defendants. After enrolling in Health Care One's program, consumers receive lists
17 of local participating providers from the Defendants. Defendants' lists of local
18 participating providers include doctors who cannot be located because the contact
19 information is incorrect and doctors who do not participate in Health Care One's
20 program and will not honor its purported discounts. Additionally, consumers who
21 attempt to use Health Care One's program at pharmacies find that the pharmacies
22 also do not honor the purported discounts.

23
24 **Representation that**
25 **Health Care One's network includes consumers'**
26 **current healthcare providers and other**
27 **healthcare providers in consumers' local communities**

28 36. During the telemarketing calls, Defendants' telemarketers specifically
assure consumers that their current doctors are in Health Care One's network. These
representations lead consumers to reasonably believe that they will be able to obtain

1 discounted healthcare services from their current doctors through Health Care One's
2 program.

3 37. Defendants' telemarketers also represent to consumers that the
4 program's network includes physicians practicing in the consumers' local
5 communities, and that any doctor in Blue Cross/Blue Shield's network is also
6 available through Health Care One's network. These representations lead consumers
7 to reasonably believe that Health Care One's program will enable them to obtain
8 discounted healthcare services from a local doctor.

9 38. Defendants make similar representations about the broad availability of
10 healthcare providers in their television commercials, radio advertisements, and
11 websites. There, Defendants represent that the size of their network of healthcare
12 providers ranges from 500,000 to "over 900,000 healthcare provider locations."
13 These representations contribute to the impression formed by consumers that Health
14 Care One's program is usable in the consumers' local communities.

15 39. These representations are false. After enrolling in Health Care One's
16 program, consumers learn that their doctors are not part of the network and will not
17 honor the purportedly pre-negotiated discounts. Consumers also learn that
18 Defendants' lists of participating providers include doctors who cannot be located
19 because the contact information is incorrect and doctors who do not participate in
20 Health Care One's program and will not honor its purported discounts. Finally,
21 Health Care One's purported network of healthcare providers is not the Blue
22 Cross/Blue Shield network of healthcare providers.

23
24 **Representations regarding
cancellation and refund practices**

25 40. Health Care One and Elite Business Solutions offer consumers a 100%
26 satisfaction money-back guarantee. This guarantee is published on their websites, at
27 www.healthcareone.com, www.elitehealthcareinc.com,
28 www.republichealthcare.com, and www.easylife.com. The Health Care One

1 website, as of February 2010, states its “Guarantee” as follows:

2 100% Satisfaction or Your Money Back! HealthcareOne™ is so
3 confident you will see significant savings with our program, we offer an
4 unconditional 30-day money-back guarantee on your entire first
5 month’s payment.*

6 The bottom of the webpage includes additional fine print language relating, *inter*
7 *alia*, to Health Care One’s and Elite Business Solutions’ cancellation and refund
8 policy:

9 * . . . You have the right to cancel within the first 30 days after receipt of
10 membership materials and receive a full refund, less a nominal
11 processing fee.

12 Their other websites, www.elitehealthcareinc.com, www.republichealthcare.com,
13 and www.easylife.com, contain the same or similarly-worded guarantees.

14 41. Health Care One’s and Elite Business Solutions’ telemarketers make
15 similar representations regarding their cancellation and refund policy. Some of the
16 telemarketers represent that consumers may cancel for a “full refund” within 30 days
17 of receiving the program materials. These telemarketers do not disclose that the
18 refund would be reduced by a nominal processing fee.

19 42. When consumers realize that Health Care One’s program is not as
20 advertised, they find that Health Care One and Elite Business Solutions make it very
21 difficult to obtain refunds. Calls to cancel their enrollments and obtain refunds are
22 directed to Health Care One’s customer service representatives, who handle the
23 customer service functions for both Health Care One and Elite Business Solutions.
24 Health Care One and Elite Business Solutions delay the processing of refunds for
25 months and require consumers to satisfy unreasonable conditions. Even after such
26 delays, typically consumers are either not able to obtain any refund whatsoever or
27 only obtain a refund from which a substantial processing fee (approximately \$100)
28 has been retained.

1 **Ellman's Role**

2 43. Ellman is the managing member of Health Care One. He holds himself
3 out as Health Care One's president and chief executive officer. He has entered into
4 contracts on Health Care One's behalf. Ellman controls Health Care One's bank
5 accounts. He is also Health Care One's contact person for responding to consumer
6 complaints filed with the Better Business Bureau.

7 44. Ellman arranged for the incorporation of Americans4Healthcare and is
8 the company's sole director.

9 45. Ellman controls the television advertising, radio advertising, and
10 telemarketing operations of Health Care One, Americans4Healthcare, and Citizens 4
11 Healthcare. Through a partnership under his control, Ellman is the registration
12 contact for many of the Internet domain names used by Defendants, including
13 www.healthcareone.com, www.americans4healthcare.com, www.a4hrx.com,
14 www.citizens4healthcare.com, and www.republichealthcare.com.

15 46. Ellman is jointly and severally liable for the conduct of Health Care One
16 and Americans4Healthcare because he has the authority to control and direct the
17 companies' activities; has participated in those activities; and has had knowledge of
18 the companies' misrepresentations and other misconduct.

19 **Freeman's Role**

20 47. Freeman is the owner and sole officer and director of Elite Business
21 Solutions. He has entered into contracts on Elite Business Solutions' behalf. He
22 controls financial accounts in the name of Elite Business Solutions doing business as
23 "Easy Life Healthcare," "Elite Healthcare," and "Republic Healthcare." He controls
24 Elite Business Solutions' telemarketing operations, including serving as the contact
25 person for the telephone service provider of Elite Business Solutions' telephone
26 lines. He has also recorded fictitious business name statements in Orange County,
27 California, for Elite Business Solutions to do business as "Elite Healthcare Group"
28 and "Republic Healthcare." Freeman is the registration contact for Elite Business

1 Solutions' various Internet domain names.

2 48. Freeman is jointly and severally liable for the conduct of Elite Business
3 Solutions because he has the authority to control and direct the company's activities;
4 has participated in those activities; and has had knowledge of the company's
5 misrepresentations and other misconduct.

6 **VIOLATIONS OF THE FTC ACT**

7 49. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or
8 deceptive acts or practices in or affecting commerce."

9 50. Misrepresentations or deceptive omissions of material fact constitute
10 deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

11 **Count 1: Misrepresentations**

12 51. In numerous instances in connection with the advertising, marketing,
13 promotion, offering for sale, or sale of Health Care One's national healthcare
14 discount program, Defendants have represented, directly or indirectly, expressly or
15 by implication, that:

- 16 a. the program is health insurance;
- 17 b. the program is affiliated with or endorsed or sponsored by the federal
18 government;
- 19 c. enrollment in the program will result in substantial healthcare savings to
20 the consumers;
- 21 d. consumers will be able to obtain program benefits from consumers'
22 current healthcare providers and from other healthcare providers in the
23 consumers' local communities; and/or
- 24 e. Defendants will provide a full refund, subject to no or only a nominal
25 processing fee, if the consumer submits a cancellation request before the
26 thirty-day trial period expires.

1 52. In truth and in fact:

- 2 a. the program is not health insurance;
- 3 b. the program is not affiliated with or endorsed or sponsored by the
- 4 federal government;
- 5 c. enrollment in the program does not result in substantial healthcare
- 6 savings to the consumers;
- 7 d. consumers are not able to obtain program benefits from consumers'
- 8 current healthcare providers and from other healthcare providers in the
- 9 consumers' local communities; and
- 10 e. Defendants do not provide a full refund and retain a substantial
- 11 processing fee if the consumer submits a cancellation request before the
- 12 thirty-day trial period expires.

13 53. Therefore, Defendants' representations as set forth in Paragraph 51 are

14 false and misleading and constitute deceptive acts or practices in violation of Section

15 5(a) of the FTC Act, 15 U.S.C. § 45(a).

16 **VIOLATIONS OF THE TELEMARKETING SALES RULE**

17 54. The FTC promulgated the Telemarketing Sales Rule, 16 C.F.R. Part

18 310, pursuant to Section 6102(a) of the Telemarketing Act, 15 U.S.C. § 6102(a).

19 The Rule became effective on December 31, 1995, and was amended in 2003.

20 55. Section 310.3(a) of the Telemarketing Sales Rule prohibits

21 telemarketers and sellers from, *inter alia*, misrepresenting, directly or by implication,

22 in the sale of goods or services:

- 23 a. any material aspect of the performance, efficacy, nature, or central
- 24 characteristics of goods or services that are the subject of a sales offer
- 25 (16 C.F.R. § 310.3(a)(2)(iii)); and
- 26 b. any material aspect of the nature or terms of the seller's refund or
- 27 cancellation policies (16 C.F.R. § 310.3(a)(2)(iv)).

28 56. Defendants are "sellers" or "telemarketers" engaged in "telemarketing,"

1 as those terms are defined in the amended Telemarketing Sales Rule (16 C.F.R.
2 §§ 310.2(z), (bb), and (cc)).

3 57. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c)
4 and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the TSR
5 constitutes an unfair or deceptive act or practice in or affecting commerce, in
6 violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

7
8 **Count 2: Misrepresentations relating to material aspects of**
9 **Health Care One's national healthcare discount program**

10 58. In numerous instances, in connection with the telemarketing of Health
11 Care One's national healthcare discount program, Defendants have misrepresented,
12 directly or by implication, material aspects of the performance, efficacy, nature, or
13 central characteristics of the program, including that:

- 14 a. the program is health insurance;
- 15 b. enrollment in the program will result in substantial healthcare savings to
16 the consumer; or
- 17 c. consumers will be able to obtain program benefits from consumers'
18 current healthcare providers and from other healthcare providers in the
19 consumers' local communities,

20 thereby violating Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii).

21 **Count 3: Misrepresentations regarding**
22 **refund or cancellation policies**

23 59. In numerous instances, in connection with the telemarketing of Health
24 Care One's national healthcare discount program, Defendants have misrepresented,
25 directly or by implication, material aspects of the nature or terms of the seller's
26 refund or cancellation policies, including that Defendants will provide a full refund,
27 subject to no or only a nominal processing fee, if the consumer submits a
28 cancellation request before the thirty-day trial period expires, thereby violating
Section 310.3(a)(2)(iv) of the TSR, 16 C.F.R. § 310.3(a)(2)(iv).

1 **CONSUMER INJURY**

2 60. Consumers have suffered and will continue to suffer substantial injury
3 as a result of Defendants' violations of the FTC Act and the TSR. In addition,
4 Defendants have been unjustly enriched as a result of their unlawful acts or practices.
5 Absent injunctive relief by this Court, Defendants are likely to continue to injure
6 consumers, reap unjust enrichment, and harm the public interest.

7 **THIS COURT'S POWER TO GRANT RELIEF**

8 61. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court
9 to grant injunctive and such other relief as the Court may deem appropriate to halt
10 and redress violations of any provision of law enforced by the FTC. The Court, in
11 the exercise of its equitable jurisdiction, may award ancillary relief, including
12 rescission or reformation of contracts, restitution, the refund of monies paid, and the
13 disgorgement of ill-gotten monies, to prevent and remedy any violation of any
14 provision of law enforced by the FTC.

15 62. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6(b) of the
16 Telemarketing Act, 15 U.S.C. § 6105(b), authorize this Court to grant such relief as
17 the Court finds necessary to redress injury to consumers resulting from Defendants'
18 violations of the Telemarketing Sales Rule, including rescission or reformation of
19 contracts, and the refund of money.

20 **PRAYER FOR RELIEF**

21 63. Wherefore, Plaintiff FTC, pursuant to Sections 13(b) and 19 of the FTC
22 Act, 15 U.S.C. §§ 53(b) and 57b, Section 6(b) of the Telemarketing Act, 15 U.S.C.
23 § 6105(b), and the Court's own equitable powers, requests that the Court:

- 24 a. Award Plaintiff such preliminary injunctive and ancillary relief as may
25 be necessary to avert the likelihood of consumer injury during the
26 pendency of this action and to preserve the possibility of effective final
27 relief, including but not limited to a temporary restraining order, a
28 preliminary injunction, an order freezing assets, immediate access to

1 business premises, and appointment of a receiver;

2 b. Enter a permanent injunction to prevent future violations of the FTC
3 Act and the TSR by Defendants;


4 c. Award such relief as the Court finds necessary to redress injury to
5 consumers resulting from Defendants' violations of the FTC Act and the
6 TSR, including, but not limited to, rescission or reformation of
7 contracts, restitution, the refund of monies paid, and the disgorgement
8 of ill-gotten monies; and

9 d. Award Plaintiff the costs of bringing this action, as well as such other
10 and additional equitable relief as the Court may determine to be just and
11 proper.

12
13 Dated: August 3, 2010

Respectfully submitted,

14 WILLARD K. TOM
15 General Counsel

16 
17 FAYE CHEN BARNOUW
18 MARICELA SEGURA
19 BARBARA CHUN
20 JOHN D. JACOBS

21 Attorneys for Plaintiff
22 Federal Trade Commission
23
24
25
26
27
28

COPY

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself)

Federal Trade Commission

DEFENDANTS

Health Care One LLC, Americans4Healthcare Inc., Michael Jay Ellman, Elite Business Solutions, Inc., and Robert Daniel Freeman

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)

Federal Trade Commission (contact: Faye Chen Barnouw, Esq.) 10877 Wilshire Blvd., Suite 700, Los Angeles, CA 90024 tel: (310) 824-4343

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business in this State, Incorporated and Principal Place of Business in Another State, Foreign Nation.

IV. ORIGIN (Place an X in one box only.)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from another district (specify):
6 Multi-District Litigation
7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: Yes No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: Yes No MONEY DEMANDED IN COMPLAINT: \$

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

15 U.S.C. §§ 45(a), 53(b), and 57b; 15 U.S.C. §§ 6101-6108

VII. NATURE OF SUIT (Place an X in one box only.)

Large table with columns: OTHER STATUTES, CONTRACT, REAL PROPERTY, TORTS (PERSONAL INJURY, BANKRUPTCY, CIVIL RIGHTS, IMMIGRATION), TORTS (PERSONAL PROPERTY, CIVIL RIGHTS), PRISONER PETITIONS, LABOR, PROPERTY RIGHTS, SOCIAL SECURITY, FEDERAL TAX SUITS.

SACV10-1161 JVS(RNBx)

FOR OFFICE USE ONLY: Case Number:

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? No Yes
If yes, list case number(s): _____

VIII(h). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? No Yes
If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) A. Arise from the same or closely related transactions, happenings, or events; or
 B. Call for determination of the same or substantially related or similar questions of law and fact; or
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named plaintiff resides.
 Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named defendant resides.
 Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Orange County; Defendants Americans4Healthcare Inc.; Michael Jay Ellman; Elite Business Solutions, Inc.; and Robert Daniel Freeman	Maricopa County, Arizona; Defendant Health Care One LLC

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH claim arose.
 Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
nationwide (including Los Angeles, Orange, and Riverside Counties)	nationwide

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties
 Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):  Date August 3, 2010

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge James V. Selna and the assigned discovery Magistrate Judge is Robert N. Block.

The case number on all documents filed with the Court should read as follows:

SACV10- 1161 JVS (RNBx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

Western Division
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

Southern Division
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

Eastern Division
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

ORIGINAL

AO 440 (Rev. 12/09) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

Federal Trade Commission

Plaintiff

v.

See Attached

Defendant

Civil Action No. SACV10-1161 JVS(RNBx)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Health Care One LLC
c/o Lawdock, Inc.
One Renaissance Square, Suite 300
Two North Central Ave
Phoenix, AZ 85004-2391

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Faye Chen Barnouw; Maricela Segura; Barbara Chun; & John D. Jacobs
Federal Trade Commission
10877 Wilshire Blvd. Suite 700
Los Angeles, CA 90024

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: AUG - 3 2010

J. DeBose
Signature of Clerk or Deputy Clerk

1 FAYE CHEN BARNOUW, CA Bar No. 168631
2 MARICELA SEGURA, CA Bar No. 225999
3 BARBARA CHUN, CA Bar No. 186907
4 JOHN D. JACOBS, CA Bar No. 134154
5 FEDERAL TRADE COMMISSION
6 10877 Wilshire Blvd., Suite 700
7 Los Angeles, CA 90024
8 Telephone: (310) 824-4343
9 Facsimile: (310) 824-4380
10 e-mail: fbarnouw@ftc.gov; msegura@ftc.gov;
11 bchun@ftc.gov; and jjacobs@ftc.gov

12 Attorneys for Plaintiff
13 FEDERAL TRADE COMMISSION

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA

16 FEDERAL TRADE COMMISSION,
17
18 Plaintiff,

19 v.

20 HEALTH CARE ONE LLC, an Arizona
21 limited liability company, also d/b/a
22 "HealthcareOne," "Americans4
23 Healthcare," "Citizens4Healthcare,"
24 "American Eagle Healthcare,"
25 "EasyLife Healthcare," "Elite
26 Healthcare," "Global Healthcare," and
27 "Republic Healthcare";

28 AMERICANS4HEALTHCARE INC., a
Delaware corporation;

MICHAEL JAY ELLMAN, an
individual;

ELITE BUSINESS SOLUTIONS, INC.,
a Nevada corporation, also d/b/a
"EasyLife Healthcare," "Elite
Healthcare" and "Republic Healthcare";

ROBERT DANIEL FREEMAN, an
individual;

Defendants.

Case no.

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF

AO 440 (Rev. 12/09) Summons in a Civil Action (Page 2)

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____.

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify):* _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

ORIGINAL

AO 440 (Rev. 12/09) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

Federal Trade Commission

Plaintiff

v.

See Attached

Defendant

Civil Action No.

SACV10-1161 JVS(RNBx)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Americans4Healthcare Inc.
c/o The Company Corporation
2711 Centerville Rd, Suite 400
Wilmington, DE 19808

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Faye Chen Barnouw; Maricela Segura; Barbara Chun; & John D. Jacobs
Federal Trade Commission
10877 Wilshire Blvd. Suite 700
Los Angeles, CA 90024

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: AUG -3 2010

Signature of Clerk or Deputy Clerk

1 FAYE CHEN BARNOUW, CA Bar No. 168631
 2 MARICELA SEGURA, CA Bar No. 225999
 3 BARBARA CHUN, CA Bar No. 186907
 4 JOHN D. JACOBS, CA Bar No. 134154
 5 FEDERAL TRADE COMMISSION
 6 10877 Wilshire Blvd., Suite 700
 7 Los Angeles, CA 90024
 8 Telephone: (310) 824-4343
 9 Facsimile: (310) 824-4380
 10 e-mail: fbarnouw@ftc.gov; msegura@ftc.gov;
 11 bchun@ftc.gov; and jjacobs@ftc.gov

12 Attorneys for Plaintiff
 13 FEDERAL TRADE COMMISSION

14 UNITED STATES DISTRICT COURT
 15 CENTRAL DISTRICT OF CALIFORNIA

16 FEDERAL TRADE COMMISSION,
 17
 18 Plaintiff,

19 v.

20 HEALTH CARE ONE LLC, an Arizona
 21 limited liability company, also d/b/a
 22 "HealthcareOne," "Americans4
 23 Healthcare," "Citizens4Healthcare,"
 24 "American Eagle Healthcare,"
 25 "EasyLife Healthcare," "Elite
 26 Healthcare," "Global Healthcare," and
 27 "Republic Healthcare";

28 AMERICANS4HEALTHCARE INC., a
 Delaware corporation;

MICHAEL JAY ELLMAN, an
 individual;

ELITE BUSINESS SOLUTIONS, INC.,
 a Nevada corporation, also d/b/a
 "EasyLife Healthcare," "Elite
 Healthcare" and "Republic Healthcare";

ROBERT DANIEL FREEMAN, an
 individual;

Defendants.

Case no.

COMPLAINT FOR PERMANENT
 INJUNCTION AND OTHER
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AO 440 (Rev. 12/09) Summons in a Civil Action (Page 2)

Civil Action No. _____

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was received by me on *(date)* _____.

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____; or

I returned the summons unexecuted because _____; or

Other *(specify):* _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

ORIGINAL

AO 440 (Rev. 12/09) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

Federal Trade Commission

Plaintiff

v.

See Attached

Defendant

)
)
)
)
)
)
)

Civil Action No.
SACV10-1161 JVS(RNBx)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Michael Jay Ellman
410 Morning Star Lane
Newport Beach, CA 92660

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Faye Chen Barnouw; Maricela Segura; Barbara Chun; & John D. Jacobs
Federal Trade Commission
10877 Wilshire Blvd. Suite 700
Los Angeles, CA 90024

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

J. Sebora
Signature of Clerk or Deputy Clerk

Date: AUG -3 2010

1 FAYE CHEN BARNOUW, CA Bar No. 168631
MARICELA SEGURA, CA Bar No. 225999
2 BARBARA CHUN, CA Bar No. 186907
3 JOHN D. JACOBS, CA Bar No. 134154
FEDERAL TRADE COMMISSION
10877 Wilshire Blvd., Suite 700
4 Los Angeles, CA 90024
5 Telephone: (310) 824-4343
6 Facsimile: (310) 824-4380
e-mail: fbarnouw@ftc.gov; msegura@ftc.gov;
bjchun@ftc.gov; and jjacobs@ftc.gov

7 Attorneys for Plaintiff
8 FEDERAL TRADE COMMISSION

9
10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12

13 FEDERAL TRADE COMMISSION,
14 Plaintiff,

15 v.

16 HEALTH CARE ONE LLC, an Arizona
limited liability company, also d/b/a
17 "HealthcareOne," "Americans4
18 Healthcare," "Citizens4Healthcare,"
"American Eagle Healthcare,"
19 "EasyLife Healthcare," "Elite
Healthcare," "Global Healthcare," and
20 "Republic Healthcare";

21 AMERICANS4HEALTHCARE INC., a
Delaware corporation;

22 MICHAEL JAY ELLMAN, an
23 individual;

24 ELITE BUSINESS SOLUTIONS, INC.,
a Nevada corporation, also d/b/a
25 "EasyLife Healthcare," "Elite
26 Healthcare" and "Republic Healthcare";

27 ROBERT DANIEL FREEMAN, an
individual;

28 Defendants.

Case no.

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
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AO 440 (Rev. 12/09) Summons in a Civil Action (Page 2)

Civil Action No. _____

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_____ on *(date)* _____; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____, who is
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_____ on *(date)* _____; or

I returned the summons unexecuted because _____; or

Other *(specify):* _____

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I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

ORIGINAL

AO 440 (Rev. 12/09) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

Federal Trade Commission

Plaintiff

v.

See Attached

Defendant

SACV10-1161 JVS(RNBx)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Elite Business Solutions Inc.
c/o Carl J. Valore Agent
6370 West Flamingo Rd., Suite 1
Las Vegas, NV 89102

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Faye Chen Barnouw; Maricela Segura; Barbara Chun; & John D. Jacobs
Federal Trade Commission
10877 Wilshire Blvd. Suite 700
Los Angeles, CA 90024

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Date: AUG - 3 2010

CLERK OF COURT

[Handwritten Signature]

Signature of Clerk or Deputy Clerk

1 FAYE CHEN BARNOUW, CA Bar No. 168631
2 MARICELA SEGURA, CA Bar No. 225999
3 BARBARA CHUN, CA Bar No. 186907
4 JOHN D. JACOBS, CA Bar No. 134154
5 FEDERAL TRADE COMMISSION
6 10877 Wilshire Blvd., Suite 700
7 Los Angeles, CA 90024
8 Telephone: (310) 824-4343
9 Facsimile: (310) 824-4380
10 e-mail: fbarnouw@ftc.gov; msegura@ftc.gov;
11 bchun@ftc.gov; and jjacobs@ftc.gov

12 Attorneys for Plaintiff
13 FEDERAL TRADE COMMISSION

14
15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA

17 FEDERAL TRADE COMMISSION,
18
19 Plaintiff,

20 v.

21 HEALTH CARE ONE LLC, an Arizona
22 limited liability company, also d/b/a
23 "HealthcareOne," "Americans4
24 Healthcare," "Citizens4Healthcare,"
25 "American Eagle Healthcare,"
26 "EasyLife Healthcare," "Elite
27 Healthcare," "Global Healthcare," and
28 "Republic Healthcare";

AMERICANS4HEALTHCARE INC., a
Delaware corporation;

MICHAEL JAY ELLMAN, an
individual;

ELITE BUSINESS SOLUTIONS, INC.,
a Nevada corporation, also d/b/a
"EasyLife Healthcare," "Elite
Healthcare" and "Republic Healthcare";

ROBERT DANIEL FREEMAN, an
individual;

Defendants.

Case no.

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
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AO 440 (Rev. 12/09) Summons in a Civil Action (Page 2)

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was received by me on *(date)* _____.

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____; or

I returned the summons unexecuted because _____; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

ORIGINAL

AO 440 (Rev. 12/09) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

Federal Trade Commission

Plaintiff

v.

See Attached

Defendant

Civil Action No.

SACV10-1161 JVS(RNBx)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Robert Daniel Freeman
10 Waltham Rd.
Ladera Ranch, CA 92694

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: Faye Chen Barnouw; Maricela Segura; Barbara Chun; & John D. Jacobs
Federal Trade Commission
10877 Wilshire Blvd. Suite 700
Los Angeles, CA 90024

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

[Handwritten signature]

Signature of Clerk or Deputy Clerk

AUG - 3 2010

Date:

1 FAYE CHEN BARNOUW, CA Bar No. 168631
2 MARICELA SEGURA, CA Bar No. 225999
3 BARBARA CHUN, CA Bar No. 186907
4 JOHN D. JACOBS, CA Bar No. 134154
5 FEDERAL TRADE COMMISSION
6 10877 Wilshire Blvd., Suite 700
7 Los Angeles, CA 90024
8 Telephone: (310) 824-4343
9 Facsimile: (310) 824-4380
10 e-mail: fbarnouw@ftc.gov; msegura@ftc.gov;
11 bjchun@ftc.gov; and jjacobs@ftc.gov

12 Attorneys for Plaintiff
13 FEDERAL TRADE COMMISSION

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA

16 FEDERAL TRADE COMMISSION,
17
18 Plaintiff,

19 v.

20 HEALTH CARE ONE LLC, an Arizona
21 limited liability company, also d/b/a
22 "HealthcareOne," "Americans4
23 Healthcare," "Citizens4Healthcare,"
24 "American Eagle Healthcare,"
25 "EasyLife Healthcare," "Elite
26 Healthcare," "Global Healthcare," and
27 "Republic Healthcare";

28 AMERICANS4HEALTHCARE INC., a
Delaware corporation;

MICHAEL JAY ELLMAN, an
individual;

ELITE BUSINESS SOLUTIONS, INC.,
a Nevada corporation, also d/b/a
"EasyLife Healthcare," "Elite
Healthcare" and "Republic Healthcare";

ROBERT DANIEL FREEMAN, an
individual;

Defendants.

Case no.

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF

AO 440 (Rev. 12/09) Summons in a Civil Action (Page 2)

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____.

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: