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CLERK, U.S. DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE, FL 32207

*3:10-cv-266-f-34TEM*

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION**

FEDERAL TRADE COMMISSION and  
OFFICE OF ATTORNEY GENERAL,  
DEPARTMENT OF LEGAL AFFAIRS,  
STATE OF FLORIDA,

Plaintiffs,

v.

ALCOHOLISM CURE CORPORATION,  
also doing business as Alcoholism Cure  
Foundation, and  
ROBERT DOUGLAS KROTZER, individually  
and as an officer and/or director of Alcoholism  
Cure Corporation,

Defendants.

Case No.

**COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF**

Plaintiffs, the Federal Trade Commission (“FTC”) and the State of Florida, for their Complaint allege:

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 obtain permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, in connection with the advertising, marketing, promotion, sale, and distribution of a purported alcoholism cure program (the “Permanent Cure” Program).

2. The State of Florida, by and through its Attorney General, Bill McCollum, brings this action as the enforcing authority of the Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. §§ 501.201–213, and is authorized to seek damages, injunctions, and other statutory relief pursuant to this part.

#### **JURISDICTION AND VENUE**

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 52, and 53(b), and supplemental jurisdiction over Plaintiff State of Florida’s state law claims under 28 U.S.C. § 1367.

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

#### **PLAINTIFFS**

5. The FTC is an independent agency of the United States Government created

by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces Section 12 of the FTC Act, 15 U.S.C. § 52, which prohibits false advertisements for food, drugs, devices, services, or cosmetics in or affecting commerce.

6. The FTC 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 rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

7. The State of Florida is one of the fifty sovereign states of the United States and, by and through its Attorney General, Bill McCollum, it brings this action as the enforcing authority of the Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. §§ 501.201–213.

8. The State of Florida has conducted an investigation of the matters alleged herein and Attorney General Bill McCollum has determined that this enforcement action serves the public interest, as required by Fla. Stat. § 501.207(2).

#### **DEFENDANTS**

9. Defendant Alcoholism Cure Corporation, also doing business as Alcoholism Cure Foundation (“ACF”), is a Florida corporation with its principal place of business at 13649 Shipwatch Drive, Jacksonville, Florida, 32225. ACF transacts or has transacted business in this District and throughout the United States. At all times material to this

Complaint, acting alone or in concert with others, ACF has advertised, marketed, promoted, offered for sale, sold, or distributed the “Permanent Cure” Program to consumers throughout the United States.

10. Defendant Robert Douglas Krotzer (“Krotzer”), also known as Dr. Doug, is the President and sole owner of ACF. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of ACF, including the acts and practices set forth in this Complaint. Krotzer resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

#### **COMMERCE**

11. 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.

12. Defendants, at all times material hereto, provided goods or services and were engaged in a trade or commerce, as defined in Fla. Stat. § 501.203(8), within the State of Florida and Duval County.

#### **DEFENDANTS’ BUSINESS ACTIVITIES**

13. Since at least 2005, Defendants have advertised, marketed, promoted, offered for sale, sold, and distributed the “Permanent Cure” Program to the public. The “Permanent Cure” Program consists of Defendants’ “doctors” prescribing individual dietary supplement regimens for consumers and providing purported doctor monitoring and support, ostensibly

to cure an individual's alcoholism. Neither Krotzer nor any ACF employee, agent, or independent contractor holds any doctorates or licenses related to the treatment of alcoholism.

14. Defendants purportedly customize each consumer's dietary supplement regimen. The regimens include, alone or in combination: Kudzu (Daidzin), Rhodiola Rosea, St. John's Wort (Hypericin), 5 Hydroxytryptophan, SAMe (S-Adenosyl methionine), Melatonin, Taurine, L-Glutamine, Niacin, Hops, Milk Thistle (Silymarin), Chromium Picolinate, DHEA (Dehydroepiandrosterone), Vitamin C, and Vitamin B complex (B1, B2, Niacinamide, B6, B12, Folic Acid, Biotin, Pantothenic Acid, Choline Bitartrate, Inositol, and/or Para-aminobenzoic Acid).

15. Defendants bill consumers for the "Permanent Cure" Program as a monthly subscription with two price levels: Heavy Drinker and Very Heavy Drinker. Defendants represent that the Heavy Drinker option costs \$59.96 the first month, \$179.96 for the second and third months (billed together), and \$179.96 per month thereafter. Defendants represent that the Very Heavy Drinker option costs \$99.96 the first month, \$179.96 for the second and third months (billed together), and \$269.96 per month thereafter. Defendants' prices for the Program exclude the cost of the prescribed dietary supplements, which consumers must purchase separately. Once consumers subscribe, Defendants automatically charge consumers' credit cards or accounts on PayPal (an online payment system) monthly for the above-listed fees without further notice. Sales of the "Permanent Cure" Program from 2005 through December 2009 amounted to at least \$693,000.

16. Defendants have advertised and promoted the “Permanent Cure” Program on their current website, [www.alcoholismcure.org](http://www.alcoholismcure.org) (the “ACF website”), and prior websites, [www.detoxificationthatworks.com](http://www.detoxificationthatworks.com), [www.healthy-highalcoholsubstitute.com](http://www.healthy-highalcoholsubstitute.com), and [www.alcoholfree.org](http://www.alcoholfree.org); on online search engines, such as Google and Yahoo; through dissemination of newsletters via email distribution lists; and via individual emails.

17. To induce customers to purchase the “Permanent Cure” Program, Defendants have created, prepared, disseminated, or caused to be disseminated advertisements and other promotional materials, including, but not limited to, the ACF website, excerpts of which are attached in part as PX 1, Att. C and a full, navigable version of which is attached as PX 1, Att. C-1.<sup>1</sup> When printed on 8.5- by 11-inch paper, the website is more than 150 pages of densely packed, mostly seven- to nine-point-sized text. The ACF website contains, among many representations, the following statements or depictions:

a. Representations from the homepage of Defendants’ website, [www.alcoholismcure.org](http://www.alcoholismcure.org) (downloaded May 4, 2009):

Alcoholism Cure Foundation . . .

Our Whole Program is Virtually Free! . . .

Best Technology to End Alcohol Abuse Permanently  
“Enjoy A Few Drinks” -- Without Cravings . . .

Will We Work for You?

• Yes, beyond our PhDs’ wildest dreams. We have cured nearly all members -

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<sup>1</sup> Exhibit references refer to exhibits submitted in support of the concurrently-filed Plaintiffs’ Motion for a Preliminary Injunction Order Or, in the Alternative, an Order to Show Cause Why a Preliminary Injunction Should Not Issue, and Memorandum in Support, and appear as “PX [number]” and, as appropriate, specific pages (“at [number]”), attachments (“Att. [letter]”), exhibits (“Ex. [number]”), and paragraphs (“¶ [number]”).

- many hundreds. Your guarantees are explained below. . . .
- **Permanent Cure:** Customized to deliver the neurotransmitters your brain seeks in alcohol. Doctor (not MD) 15/7 monitored programs. Over the years, nearly all have been cured. Lowest initial cost. Most spend less than \$350 until they see results and remaining fees typically payable from monthly savings from consuming far less alcohol. . . .

You can Enjoy A Few Drinks, without wanting more.

Medical certainty. There is no alcoholism if you replace missing molecules your brain seeks in alcohol.

We will cure you ... guaranteed. Often within 1-10 weeks, nearly always by 5 months.

You may cancel anytime you are not being cured as we describe.

Virtually cost free. Cure Dividend Savings typically exceed regular monthly fees.

PX 1, Att. C at 1  
(final ellipsis original).

Your Personal Doctor (PhD, ND, JD, not MD) studies your assessment answers for many insights into what your brain seeks in alcohol. He screens to avoid any adverse interactions with your medications. Based on our successful experience, he determines the composition and amounts of your First Recommendations. We do that so well, most are cured with few further adjustments.

Doctor Monitoring 15/7 We can safely do many things others cannot because your World Class Specialist is only minutes away. . . .

Costs - Virtually Free

1-10 weeks. Difficult cases spend a few hundred dollars more. . . .

#### REFERENCES and ENDORSEMENTS

Molecule Multiplicity Supported By:

Developed by:

- Two times Nobel prize winner known for nutraceutical work Dr Linus Pauling
- PhD teams at worldwide consulting firms
- Harvard University Medical School
- \$35,000,000 validating research study
- Expensive clinics use some of our technology

PX 1, Att. C at 2.

The team of doctors employed by Alcoholism Cure are expert in addictive diseases and nutraceutical medicine. We spent a fortune bringing together the surprisingly large amount that was already known about addictions to produce an answer to alcoholism that works.

It's hard to believe, the medical science is 15 years old. . . .

We usually cost less than \$350 until you are seeing results, mostly payable as you are cured plus part of your Cure Dividend, virtually cost free to you. . . .

A \$35million [sic] study validates our molecule multiplicity method. All quality traditional treatments (MDs and clinics) use a few closely related molecules. They cannot replace the combination of neurotransmitters your brain seeks.

Permanent Cure is many times more effective than any other treatment, and the only treatment with a truly permanent cure.

PX 1, Att. C at 3.

b. Other selected representations from Defendants' website:

When you sign up, your worst case risk is less than \$900.

PX 1, Att. C at 11.

Overall cost almost never exceeds \$750 compared to the next best treatment - - clinics costing \$30,000. . . .

No prescription drug has been developed that does as well as these long known herbs, vitamins, minerals and amino acids.

PX 1, Att. C at 16.

Totally confidential and private.

Only your Doctor knows your name. You can even use your maiden name, or a fictitious name on your assessment and in our records (but not in paying.) [sic] As doctors, we have a stronger privacy policy than anywhere on the Internet.

You'll never meet your boss or friends near a meeting. No one here need know what town you live in.



PX 1, Att. C at 21.

**Confidentiality: All your personal information is protected by doctor patient privilege and high level unencrypted computer security measures that have never been breached.**

PX 1, Att. C at 23.

**Privacy and Security**

**Doctor-Patient Privilege plus high level security assurances are important benefits. Does anyone seriously think weekly meetings in rooms full of alcoholics are Anonymous?**

PX 1, Att. C at 26.

**Medical Science Journal Reports . . .**

**We have been validated by a \$35 million study reports American Journal of Psychiatry (the most respected independent source of information for MDs who “treat” alcoholism) and Wall Street Journal on January 3, 2006. . . .**

**Many Pages of Journal Articles Supporting our technology.**

**[Web page lists a number of scientific journal articles purportedly supporting Defendants’ Program] . . .**

PX 1, Att. C at 39-40  
(bracketed text added).

**Privacy Policy**

**We recognise [sic] that many alcohol abusers cannot participate in most recovery programs because they are prominent citizens, or work for government or large corporations. Disclosure would put their careers at risk, or otherwise jeopardise [sic] their social lives.**

**With Alcoholism Cure, you are inherently protected by Internet anonymity. . .**

**Under no circumstances will we sell or share your identity for commercial purposes to anyone, ever, period.**

**Your records are protected by us, Norton Internet Security Systems and PayPal ultra secure payment technology. Each the best in their class. . . .**

We strongly believe the DSHEA law, [sic] gives us the right to extend to you the same total privacy rights extended by all medical doctors.

PX 1, Att. C at 57.

18. To enroll in the “Permanent Cure” Program, Defendants instruct consumers to complete three steps: submit a free assessment form to Defendants on the “Assessment” page of the ACF website; select the Heavy Drinker or Very Heavy Drinker option on the “Secure Sign Up” page of the ACF website; and submit payment information on the PayPal website, [www.paypal.com](http://www.paypal.com). *See, e.g.*, PX 1, Att. C at 23-26 and Atts. E, F. Until the end of 2007, consumers also could submit credit card information directly to Defendants.

19. Until June 2009, consumers could access the “Assessment” page directly from nearly every page of the ACF website by clicking on various hyperlinks labeled, for example, “FREE Assessment.” *Id.* Att. C at 1, 3. The “Assessment” page contained a form for consumers to enter their personal and health information and submit it electronically to Defendants. *Id.* Att. C at 23-25. Under the form, Defendants stated: “By submitting your Free Assessment you agree to terms and conditions. Fees are partially refundable except low cost New Cure Yourself Program. Press Here To SubmitFree [sic] Assessment.” *Id.* Att. C at 24. The statement contained an embedded hyperlink that took consumers directly to the “Secure Sign Up” page. *Id.* Att. C at 26-28. Consumers also could access the “Secure Sign Up” page without submitting an Assessment form by clicking on various hyperlinks, including one on the homepage stating: “Prefer to skip ahead to Secure Sign Up and read the details later?” *Id.* Att. C at 1.

20. Other than Defendants’ prominent and repeated representations about the

Program's low cost and "cancel anytime" policy, as set forth in Paragraph 17, Defendants fail to identify adequately what terms and conditions consumers purportedly agree to by submitting their Assessment form. For example, although there is a section of Defendants' website called the Terms and Conditions, the only way to access it from the "Assessment" page is by scrolling to the bottom of the page, several paragraphs past the point where Defendants instruct consumers to submit their Assessment form, to an inconspicuous hyperlink. PX 1, Att. C at 25. The website's main hyperlink index (appearing on the left-hand side of many web pages) and numerous other pages of the website do not contain any link to the Terms and Conditions page.

21. Even if consumers are aware of a Terms and Conditions page, it is indecipherable and internally inconsistent. When printed, the web page is four 8.5- by 11- inch pages of dense, mostly 7.5-point font text. *Id.* Att. C at 53-56. The text reinforces Defendants' representations as to cure, cost, and cancellation featured throughout their website (*e.g.*, "your payments continue only as you stay cured," "Low Cost Cure," "You may cancel anytime if not being cured as described" *id.* Att. C at 53-54; *see also* Paragraph 17, above), and later purports to contradict them. For example, consumers must scroll 26 paragraphs down the page to encounter the following language, which appears in the middle of a lengthy paragraph:

Offers to quit prematurely, whether or not you have followed your program for five months, usually signal members have stopped drinking, whether or not permanently cured, and will be considered your election to prepay your total fee. You authorize us now to charge then for part or all of your remaining fees totaling 76 months.

*Id.* Att. C at 54.

22. From approximately June 2009 to February 2010, Defendants directed consumers clicking on website hyperlinks such as “Prefer to skip ahead to Free Assessment, Save \$135 and read the details later?” or “Low Cost Cure and FREE Assessment” to a new page containing an unlabelled scroll-box. *See, e.g.*, PX 1, Att. D (excerpts of the ACF website downloaded on June 12, 2009) at 1, 3, 5-34, respectively. Although the box is not called the Terms and Conditions, it contains similar text, with representations both reinforcing Defendants’ representations as to cure, cost, and cancellation (*e.g.*, “Cure guaranteed as described or typical members can pay less than about \$350, difficult members a few hundred dollars more,” *id.* Att. D at 5-34), and contradicting them. For example, the following language appears about midway (fifteen screens) in:

Cancellations at PayPal or credit card companies whether or not you have followed your program for five months, usually signal members have stopped drinking, and will be considered your election to prepay your total fee. You authorize us now to charge then for part or all of your remaining full fees.

*Id.* Att. D at 20.

23. Under the scroll-box, the page states “Submitting [sic] your Free Assessment helps us help you. It does not commit you to membership. Press “Accept” button to access Free Assessment.” PX 1, Att. D at 5-34. When consumers click the “Accept” button, ACF directs them to a new version of the Assessment form that no longer refers to terms and conditions. *Id.* Att. D at 35. Upon submitting the Assessment form, ACF directs consumers to the “Secure Sign Up” page. *Id.* Att. D at 38-40; *compare* Att. C at 26-28.

24. On the ACF website’s “Secure Sign Up” page, which remained substantively

the same as before June 2009, consumers can select either the Very Heavy Drinker option or Heavy Drinker option by clicking on hyperlinks that state: “Very Heavy Drinker Yes! I Want My Life Back” or “Heavy Drinker Yes! I Want My Life Back.” *Id.* Att: C at 26. Defendants restate their representations as to cure, cost, cancellation, professional qualifications, and privacy on this page, with an inconspicuous link to the Terms and Conditions. When consumers click on one of the hyperlinks, selecting a Program option, Defendants direct their browser to PayPal, www.paypal.com, the online payment website, to submit payment information. Consumers also could pay directly by credit card until 2007, when Defendants’ merchant banks closed their accounts due to excessive chargebacks.

25. Until June 2009, Defendants described the Permanent Cure Program and its “Terms” on the PayPal website, where consumers submit their payment information, in a two-column chart. The following examples describe the Very Heavy Drinker option (with a free Assessment) and the Heavy Drinker option (containing an additional \$135 Assessment fee):

<b>Subscription To</b>	<b>Terms</b>
Very Heavy Drinker Membership +Free Assessment, \$3.33/Day. Increases ONLY if Drinking Down: By Half-\$6/Day, Social Drinker-\$9/D	\$99.96 USD for the first 2 months Then \$179.96 USD for the next 2 months Then \$269.96 USD for each month
<b>Subscription To</b>	<b>Terms</b>
st\$135 Assessment+Heavy [sic] Drinker\$2/Day.StepUp Amounts CHEERFULLY REFUNDED unless mostly paid by CURE DIVIDEND as explained	\$194.96 USD for the first 30 days Then \$179.92 USD for the next 2 months Then \$179.96 USD for each month

PX 1, Att. E (PayPal payment pages for the “Permanent Cure” Program downloaded on February 3, 2009) at 1 and 2, respectively.

26. Since June 2009, Defendants have added to the PayPal descriptions a statement that consumers “Have Read & Accept [sic] All Terms & Conditions,” but continue to set forth similar “Terms,” for example:

Subscription To	Terms
stVeryHeavyDrinker"VIRTUALLY [sic] FREE"- Savings pay all but a few hundred dollarss [sic]. Have Read & Accept All Terms & Conditions	\$99.96 USD for the first 30 days Then \$299.92 USD for the next 60 days Then \$269.96 USD for each 30 days

Subscription To	Terms
stHeavyDrinker"VIRTUALLY [sic] FREE"- Savings pay all but a few hundred dollarss [sic]. Have Read & Accept All Terms & Conditions	\$59.96 USD for the first 30 days Then \$179.92 USD for the next 60 days Then \$179.96 USD for each 30 days

*Id.* Att. F (PayPal payment pages for the “Permanent Cure” Program downloaded on or about June 12, 2009), at 1 and 2, respectively. The PayPal website does not provide or link to any other “Terms & Conditions” of the Program.

27. After consumers join the “Permanent Cure” Program, in numerous instances, Defendants periodically collect additional personal and health information from consumers via unencrypted email in an Excel spreadsheet that Defendants call a “Diary,” including, but not limited to: name; the types and amounts of dietary supplements the consumer is taking; ounces of alcohol consumed per day and per week; any changes in the consumer’s other medications, feelings, health, job, children, marriage, and stress levels; and whether the

consumer could be pregnant. *See, e.g.*, PX 1, Att. G. In addition, in some instances, Defendants state consumers may receive a month's membership for free if they submit answers to an "Exit Interview" about their drinking habits. *Id.* Att. H at 2-3.

28. When consumers request to cancel the "Permanent Cure" Program, in numerous instances, Defendants send a letter indicating that consumers must participate in the Program for five months before cancelling. *Id.* Atts. H at 1, J at 4, K at 4. In addition, Defendants require consumers to submit "Proof of Continued Drinking" to prove that they are not cured. *Id.* Atts. H at 4-5, J at 8-9, K at 9-10. Defendants state the submission should include, among other items, notarized notes from the consumer's doctor and five friends stating that the consumer continues to drink, liquor receipts from the previous two months, and several kinds of laboratory testing. *Id.* Atts. H at 4-5, J at 8-9, K at 9-10. Unless consumers meet all the requirements set forth in this paragraph, Defendants deem them "cured" and claim the consumers owe the full cost of the Program, which differs by consumer but generally ranges from \$9,000 to more than \$20,000. *Id.* Atts. H at 1, I at 1, J at 1-2, K at 1-2, L at 1.

29. When consumers continue their efforts to cancel or attempt to cancel the "Permanent Cure" Program, in numerous instances, Defendants send dunning emails or letters. *See, e.g.*, PX 1, Atts. H-L. In the communications, Defendants make several representations about consumers' purported payment obligations to Defendants as a result of registering for the "Permanent Cure" Program, including, but not limited to, that consumers owe and have a legal obligation to pay Defendants anywhere from \$9,000 to more than

\$20,000 for its Program. *Id.* Atts. I at 1, J at 1, K at 1, L at 1. As alleged support for demanding payment of the stated amount, Defendants represent that, by signing up for the Program, consumers entered a contract to pay Defendants the monthly fee “forever” unless they “read the fine print at cancellation policy which limits the time of mandatory payments to 76 months.” *Id.* Att. K at 4; earlier correspondence used a 52-month time frame, *see id.* Att. J at 4. Defendants additionally claim that, by cancelling the Program, consumers have preauthorized Defendants to charge their credit card or PayPal account for the “accelerated amounts” in full. *Id.* Att. I at 2, J at 2, K at 5-6, L at 1.

30. Defendants warn consumers that failure to pay the demanded amount could result in litigation and the attendant “unwanted publicity.” *Id.* Att. J at 4, K at 4, L at 2. In fact, Defendants have filed at least eleven cases in Jacksonville, Florida small claims court against consumers who registered for the “Permanent Cure” Program seeking several thousand dollars each. In the cases, Defendants reveal the consumers’ personal and health information, including the fact they are alcoholics, by not filing the court pleadings in a non-public manner.

31. When consumers cancel or attempt to cancel the “Permanent Cure” Program, in numerous instances, Defendants bill consumers’ credit card or PayPal account consecutive times without authorization, often in amounts far exceeding the monthly subscription fee, until the account will no longer accept charges. *See, e.g.*, PX 1, Att. L at 1.

32. When consumers reverse or dispute the unauthorized charges, in numerous instances Defendants disclose consumers’ personal and health information to consumers’



credit card company or to PayPal in an effort to discredit consumers and retain the money obtained as a result of the unauthorized charges.

33. When consumers complain about Defendants' business practices to the Better Business Bureau, Defendants also disclose consumers' personal and health information to the Better Business Bureau.

34. In some instances, when Defendants have referred a consumer to a debt collection agency for collection, Defendants have disclosed to debt collection agents the personal and health information of all the consumers who have registered for the "Permanent Cure" Program. Defendants disclose the information by giving the debt collection agents full access to the unencrypted email account where Defendants store consumers' personal and health information and instructing the debt collection agents to search through all the consumers' personal and health information until they find the information related to the particular consumers at issue. *Id.* Att. M at 1.

35. At times, Defendants have sent emails to "Permanent Cure" Program participants that have revealed the names and email addresses of the other participants. *See, e.g.*, PX 1, Att. N.

#### **VIOLATIONS OF THE FTC ACT**

36. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts or practices in or affecting commerce." Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act. Acts or practices are unfair under Section 5 of the FTC Act if they cause or are likely to

cause substantial injury to consumers that consumers cannot reasonably avoid and that is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C. § 45(n).

37. Section 12(a) of the FTC Act, 15 U.S.C. § 52(a), prohibits the dissemination of any false advertisement in or affecting commerce for the purposes of inducing, or which is likely to induce, the purchase of food, drugs, devices, services, or cosmetics. The “Permanent Cure” Program is a “service” for purposes of Section 12 of the FTC Act, 15 U.S.C. § 52.

**COUNT I**  
**False or Unsubstantiated Efficacy Claims**  
(By Plaintiff Federal Trade Commission)

38. Through the means described in Paragraph 17, including, but not limited to, the statements and depictions referenced in this Complaint, among others, Defendants have represented, directly or indirectly, expressly or by implication, that the “Permanent Cure” Program:

- a. Cures alcoholism for most alcoholics who sign up for the Program;
- b. Cures alcoholism while allowing alcoholics to drink socially; and
- c. Is more effective than other treatments for alcoholism.

39. The representations set forth in Paragraph 38 were false or were not substantiated at the time the representations were made.

40. Therefore, the making of the representations set forth in Paragraph 38 of this Complaint constitutes a deceptive act or practice, and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§

45(a) and 52.

**COUNT II**  
**False Establishment Claims**  
(By Plaintiff Federal Trade Commission)

41. Through the means described in Paragraph 17, including, but not limited to, the statements and depictions referenced in this Complaint, among others, Defendants have represented, directly or indirectly, expressly or by implication, that the “Permanent Cure” Program:

- a. Is scientifically proven to cure alcoholism; and
- b. Has been validated by a \$35,000,000 research study.

42. In truth and in fact, the “Permanent Cure” Program:

- a. Is not scientifically proven to cure alcoholism; and
- b. Has not been validated by a \$35,000,000 research study.

43. Therefore, the making of the representations set forth in Paragraph 41 of this Complaint constitutes a deceptive act or practice and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

**COUNT III**  
**False Claims About Cost and Cancellation Policy**  
(By Plaintiff Federal Trade Commission)

44. Through the means described in Paragraphs 17-19 and 21-26, including, but not limited to, the statements and depictions referenced in this Complaint, among others, Defendants have represented, directly or indirectly, expressly or by implication, that:

a. The “Permanent Cure” Program is virtually free, costing only \$350 or, at most, a few hundred dollars more; and

b. Consumers can cancel the “Permanent Cure” Program anytime if not being cured.

45. In truth and in fact, in numerous instances:

a. As set forth in Paragraphs 28 and 29, Defendants claim that consumers owe from \$9,350 to more than \$20,000 for the “Permanent Cure” Program; and

b. As set forth in Paragraphs 28-31, consumers cannot cancel the “Permanent Cure” Program anytime if not being cured because, when they cancel, Defendants attempt to collect additional fees up to the full cost of the Program by, among other things, sending dunning notices, billing consumers without authorization, and filing lawsuits.

46. Therefore, the making of the representations set forth in Paragraph 44 of this Complaint constitutes a deceptive act or practice and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

**COUNT IV**  
**False Claims About Professional Qualifications**  
(By Plaintiff Federal Trade Commission)

47. Through the means described in Paragraph 17, including, but not limited to, the statements and depictions referenced in this Complaint, among others, Defendants have represented, directly or indirectly, expressly or by implication, that Krotzer and other ACF

employees have doctorates or licenses in areas related to the treatment of alcoholism.

48. In truth and in fact, as set forth in Paragraph 13, neither Krotzer nor any ACF employee holds any doctorate or license in areas related to the treatment of alcoholism.

49. Therefore, the making of the representation set forth in Paragraph 47 of this Complaint constitutes a deceptive act or practice and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

**COUNT V**  
**False Privacy Claims**  
(By Plaintiff Federal Trade Commission)

50. Through the means described in Paragraph 17, including, but not limited to, the statements and depictions referenced in this Complaint, among others, Defendants have represented, directly or indirectly, expressly or by implication, that they would keep consumers' personal and health information private, confidential, and anonymous.

51. In truth and in fact, in numerous instances, Defendants did not keep consumers' personal and health information private, confidential, and anonymous. In particular, as described in Paragraphs 30 and 32-35, Defendants disclosed the personal and health information they collected from consumers to the Better Business Bureau, credit card companies, PayPal, other consumers, and the public, among others.

52. Therefore, the making of the representation set forth in Paragraph 50 of this Complaint constitutes a deceptive act or practice and the making of false advertisements, in or affecting commerce, in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §

45(a) and 52.

**COUNT VI**  
**Unauthorized Billing**  
**(By Plaintiff Federal Trade Commission)**

53. In numerous instances, through the means described in Paragraphs 29 and 31, in connection with the advertising, marketing, promotion, offering for sale, sale, or distribution of the “Permanent Cure” Program, Defendants have caused charges to be submitted for payment to financial institutions without obtaining the express informed consent of consumers.

54. Defendants’ actions cause or are likely to cause substantial injury to consumers that consumers cannot reasonably avoid and that is not outweighed by countervailing benefits to consumers or competition.

55. Therefore, Defendants’ practices as described in Paragraph 53 of this Complaint constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. §§ 45(a), 45(n).

**VIOLATIONS OF FLORIDA’S DECEPTIVE AND  
UNFAIR TRADE PRACTICES ACT**

56. Chapter 501.204, Florida Statutes, provides:

(1) Unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.

(2) It is the intent of the Legislature that, in construing subsection (1), due consideration and great weight shall be given to the interpretations of the Federal Trade Commission and the federal courts relating to §5(a)(1) of the Federal Trade

Commission Act, 15 U.S.C. § 45(a)(1) as of July 1, 2006.

**COUNT VII**  
(By Plaintiff State of Florida)

57. Defendants have violated Chapter 501, Part II of the Florida Deceptive and Unfair Trade Practices Act, Florida Statutes, by engaging in the following acts or practices in the course of advertising the “Permanent Cure” Program and in the course of billing consumers for those services:

a. Representing, expressly or by implication, to consumers, including Florida consumers, through the means described in Paragraph 17, the false or unsubstantiated claims that the “Permanent Cure” Program cures alcoholism for most alcoholics who sign up, that it cures alcoholism while allowing alcoholics to drink socially, and that it is more effective than other treatments for alcoholism;

b. Representing, expressly or by implication, to consumers, including Florida consumers, through the means described in Paragraph 17, the false claims that the “Permanent Cure” Program is scientifically proven to cure alcoholism and has been validated by a \$35,000,000 research study;

c. Representing, expressly or by implication, to consumers, including Florida consumers, through the means described in Paragraphs 17-19 and 21-26, the false claims that the “Permanent Cure” Program is virtually free and that consumers can cancel the “Permanent Cure” Program anytime if not being cured, when in fact, as explained in Paragraphs 28-31, consumers cannot cancel anytime because, when they cancel, Defendants attempt to collect additional fees, claiming that consumers owe from \$9,350 to more than

\$20,000 for the full, accelerated cost of the “Permanent Cure” Program;

d. Representing, expressly or by implication, to consumers, including Florida consumers, through the means described in Paragraph 17, the false claims that Krotzer and other ACF employees hold doctorates or licenses in areas related to the treatment of alcoholism, when in fact, as described in Paragraph 13, neither Krotzer nor any ACF employee holds such a doctorate or license;

e. Representing, expressly or by implication, through the means described in Paragraphs 29 and 31, that consumers have given authorization for their credit card or PayPal accounts to be charged for Defendants’ services and accelerated payments without obtaining the express, informed consent of consumers.

58. By undertaking the activities described above and the others alleged herein, Defendants have engaged in representations, acts, practices, or omissions that are material, and which are likely to mislead consumers under the circumstances.

59. Thus, Defendants have engaged in deceptive acts or practices within the meaning of Fla. Stat. § 501.204(1).

#### **CONSUMER INJURY**

60. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants’ violations of the FTC Act and the Florida Deceptive and Unfair Trade Practices Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.



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

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

62. Pursuant to 28 U.S.C. § 1367, this Court has supplemental jurisdiction to allow Plaintiff State of Florida to enforce its state law claims under the Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. §§ 501.201–213, against Defendants in this Court. To ensure compliance and to remedy violations of these provisions, Fla. Stat. § 501.207(1)(a) authorizes the Court to grant a declaratory judgment and Fla. Stat. § 501.207(1)(b) authorizes the Court to grant injunctive relief. The Court may also allow the recovery of actual damages under Fla. Stat. § 501.207(1)(c). The Court may also award reasonable attorney's fees and costs to the State of Florida. Fla. Stat. § 501.2105.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), the Florida Deceptive and Unfair Trade Practices Act, Fla. Stat. §§ 501.201–213, and the Court's own equitable powers, request that the Court:

A. Award Plaintiffs 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, preliminary injunctions;

B. Enter a permanent injunction to prevent future violations of the FTC Act and the Florida Deceptive and Unfair Trade Practices Act by Defendants;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act and the Florida Deceptive and Unfair Trade Practices Act, including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

D. Award Plaintiffs the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: March 25, 2010

Respectfully submitted,

WILLARD K. TOM  
General Counsel

A handwritten signature in black ink, appearing to read 'K. Mandel', written over a horizontal line.

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Federal Trade Commission

**Dated: March 25, 2010**

**Respectfully submitted,**

**BILL McCOLLUM  
Attorney General of Florida**

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**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION**

FEDERAL TRADE COMMISSION and  
OFFICE OF ATTORNEY GENERAL,  
DEPARTMENT OF LEGAL AFFAIRS,  
STATE OF FLORIDA,

Plaintiffs,

v.

Case No.:

ALCOHOLISM CURE CORPORATION,  
also doing business as Alcoholism Cure Foundation, and  
ROBERT DOUGLAS KROTZER, individually and as  
An officer and/or director of Alcoholism Cure Corporation,

Defendants.

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**DETERMINATION OF PUBLIC INTEREST**

COMES NOW, BILL McCOLLUM, ATTORNEY GENERAL, STATE OF FLORIDA,

and states:

1. Pursuant to Section 20.11, Florida Statutes, I am the head of the Department of Legal Affairs, State of Florida (hereinafter referred to as the Department).
2. In this matter, the Department seeks an injunction and other equitable relief on behalf of one or more consumers caused by acts or practices performed in violation of Chapter 501, Part II, Florida Statutes.
3. I have reviewed this matter and I have determined that an enforcement action serves the public interest.

Dated: 3/15/10



**BILL McCOLLUM  
ATTORNEY GENERAL**

**EXHIBITS**

**FILED SEPARATELY**

**NOT SCANNED**