

## Responses to The Honorable Gregg Harper

1) A) Redwood Recovery Solutions has no knowledge of how many calls resulted in an admission to a treatment center as the facilities participated on a pay per call model. At no time was Redwood's compensation contingent on the volume of admissions.

B) Redwood received a strong majority of their calls from third party affiliates, and relied heavily on the expertise of those affiliates to determine the most effective advertising methods to reach consumers actively looking for substance abuse help.

2) A) In order to become an Affiliate of Redwood, affiliates were required to sign an "Affiliate attestation form" which outlined the practices that were permissible and not permissible. Redwood relied on the feedback of its clients, and internally conducted audits, in order to hold its affiliates accountable.

B) These reviews were ongoing, and conducted more frequently in the event that there was a presumption that an affiliate was not following the rules permitted within the "Affiliate Attestation Form"

3) In Redwood's infancy, with the advice of counsel (including opinion letters), it was the original intention of Redwood to aide consumers looking for help by asking a few basic questions to help the consumer to find not only a financially appropriate facility but also clinical appropriateness (do they offer the services needed), cultural appropriateness (male facility vs female, age appropriate, etc) and geographical appropriateness (are they required to stay in-state, are they able to travel, etc) fits. Redwood abandoned that model very early on and choose to pursue the pay per call model exclusively.

4) Yes, this is correct

A) Although it is assumed that licensed treatment provider would have the ethical obligation to provide a professional referral to anyone calling that was not appropriate for their center, to a center that would be appropriate, within our model, it is impossible to know definitively if someone actually entered any treatment program.

## 5. SEE Attached

A) Consumers would engage with a marketing message directed towards someone who may need help with drug or alcohol abuse. That advertisement in most instances would contain a phone number that the affiliate owned, and was specific for that campaign, which at the caller's option, the caller would call. The affiliate would then, through a call routing software forward

that call to a designated phone number assigned to that specific affiliate, owned by Redwood. Redwood's automated system would then in a similar fashion route the call to a designated phone number assigned by the treatment facility. The entire process was conducted automatically with no human interface.

6) Yes.

A) Due to the functional nature of how calls are routed it is impossible to have exact totals on this, however the approximate total is around 120,000 calls. The relationship began in early 2015 and extended until Redwood ceased accepting calls in late 2017/ early 2018.

7) Approximately 10-20 treatment facilities would be active at any point.

A) An average insertion order would be approximately 300-600 calls, or roughly 10-20 calls per day. There are many orders that exceeded that, and many that were fewer, however the average would likely be in that range.

B) The calls were routed predominately based on the attempt by Redwood to meet the daily call volume targets of the treatment facility clients. The software solution and the directives given to the Redwood Team was to try and fill these daily requests, and every client had different parameters on their campaign on how and when they could receive calls. For instance, some clients would take calls 24 hours per day and others within a finite time period when they indicated they had staff available to take those calls. Some centers had large staffs and could receive multiple calls concurrently and some did not. Some were available 7 days, some only on week days.

8) The rates that Redwood paid per call worked like any other vendor relationship in any other business. The factors were: Our demand, the volume of calls that we agreed to purchase, our ability to negotiate, the relationship with the vendor, etc.

9) No

Response to The Honorable Gus Bilirakis

1) I am unaware of the experience of others in the industry as it pertains to this matter. As a privately held marketing firm we were never audited or required to be audited by an outside organization.