

IN THE MATTER OF

BEE-SWEET, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION
OF SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3550. Complaint, Jan. 17, 1995--Decision, Jan. 17, 1995*

This consent order prohibits, among other things, a North Carolina corporation and its officer from representing that bee pollen products are effective as a cure or in mitigating certain conditions and physical ailments, and from misrepresenting the existence, contents, validity, results, conclusions, or interpretations of any test or study. In addition, the consent order requires the respondents to notify all sellers of the products, for the last 12 months, about the settlement with the Commission.

Appearances

For the Commission: *Ronald Waldman, Michael Bloom and Christian White.*

For the respondents: *Christopher D. Lane, Womble, Carlyle, Sandridge & Rice, Winston-Salem, N.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Bee-Sweet, Inc., a corporation, and Benny G. Morgan, individually and as an officer and director of said corporation, have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Bee-Sweet, Inc., is a North Carolina corporation, with its principal office or place of business at 10370 North, NC Highway 150, Clemmons, North Carolina.

Respondent Benny G. Morgan is an owner, officer, and director of the corporate respondent. Individually or in concert with others, Benny G. Morgan formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices alleged in the complaint. Respondent Benny G. Morgan's principal

office or place of business is the same as that of the corporate respondent.

PAR. 2. Respondents have manufactured, advertised, labelled, offered for sale, sold, and distributed bee pollen, bee propolis, and other products to consumers. These products are "foods" or "drugs" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act, 15 U.S.C. 52 and 55.

PAR. 3. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

PAR. 4. Respondents have disseminated or have caused to be disseminated advertisements for various products containing bee pollen and bee propolis, including but not necessarily limited to the attached Exhibits A-D. These advertisements contain the following statements:

A. "For centuries, people have been using nature's perfect food [bee pollen] as nutritional enhancement or as an aid in the treatment of: Anemia, Sexual Stamina, Back Pain, Allergies, Weight Control, Digestive Problems, Arthritic Symptoms, [and] Pulse Rate Control." (Exhibit A)

B. "Many find bee pollen aids the treatment of: anemia, sexual stamina, back pain, allergies, weight control, digestive problems, arthritic symptoms, pulse rate control." (Exhibit B)

C. "Studies performed by doctors around the world have shown bee pollen to be effective in treating illnesses from allergies to arthritis, anorexia to overweight, fatigue to arteriosclerosis.*

(* From 'Pollen in Natural Therapeutics' by Dr. Yves Donadieu from Le Faculte de Medicine de Paris.)" (Exhibit C)

D. "Propolis . . . has shown remarkable healing abilities. This natural antibiotic has been the study of numerous physicians.*

* 'Propolis: The Natural Antibiotic by Ray Hill.' " (Exhibit C)

E. "Many doctors now prescribe propolis to help treat illnesses such as sore throats, colds, acne, burns, urinary infections, and more." (Exhibit D)

F. "[P]ropolis is used as an antibiotic by physicians in Europe and Asia, to treat the following conditions: Ulcers, Acne, Tonsilitis [sic], Bleeding, Burns, Sore throats, Urinary infections, [and] Allergies." (Exhibit B)

G. "Doctors find: 15 ulcer patients were treated exclusively with propolis. Only one returned for hospitalization. In the test group using traditional medicine, 11 of 17 returned for hospitalization. A study by Dr. F.K. Feiks, M.D." (Exhibit B)

PAR. 5. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not

necessarily limited to the advertisements attached as Exhibits A-D, respondents have represented, directly or by implication, that:

A. Consumption of bee pollen is effective in the mitigation and treatment of numerous diseases and conditions, including: (1) allergies, (2) arthritis, (3) anorexia, (4) obesity, (5) fatigue, (6) arteriosclerosis, (7) anemia, (8) lack of sexual stamina, (9) back pain, (10) digestive disorders, and (11) pulse irregularities.

B. Competent and reliable scientific studies have proved that consumption of bee pollen is effective in the mitigation and treatment of numerous diseases and conditions, including: (1) allergies, (2) arthritis, (3) anorexia, (4) obesity, (5) fatigue, and (6) arteriosclerosis.

C. Bee propolis is an effective antibiotic for human use.

D. Consumption of bee propolis is effective in the mitigation and treatment of numerous diseases and conditions, including: (1) acne, (2) allergies, (3) bleeding, (4) burns, (5) colds, (6) sore throats, (7) tonsillitis, (8) ulcers, and (9) urinary infections.

E. Competent and reliable scientific studies have proved that consumption of bee propolis is effective in the mitigation and treatment of ulcers.

PAR. 6. In truth and in fact:

A. Consumption of bee pollen is not effective in the mitigation or treatment of numerous diseases or conditions including: (1) allergies, (2) arthritis, (3) anorexia, (4) obesity, (5) fatigue, (6) arteriosclerosis, (7) anemia, (8) lack of sexual stamina, (9) back pain, (10) digestive disorders, or (11) pulse irregularities.

B. Competent and reliable scientific studies have not proved that consumption of bee pollen is effective in the mitigation or treatment of numerous diseases and conditions, including: (1) allergies, (2) arthritis, (3) anorexia, (4) obesity, (5) fatigue, or (6) arteriosclerosis.

C. Bee propolis is not an effective antibiotic for human use.

D. Consumption of bee propolis is not effective in the mitigation or treatment of numerous diseases and conditions including: (1) acne, (2) allergies, (3) bleeding, (4) burns, (5) colds, (6) sore throats, (7) tonsillitis, (8) ulcers, or (9) urinary infections.

E. Competent and reliable scientific studies have not proved that consumption of bee propolis is effective in the mitigation and treatment of ulcers.

Therefore, the representations set forth in paragraph five A. through E. were, and are, false and misleading.

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-D, respondents have represented, directly or by implication, that at the time they made the representations set forth in paragraph five, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 8. In truth and in fact, at the time respondents made the representations set forth in paragraph five, they did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph seven was, and is, false and misleading.

PAR. 9. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices and the making of false advertisements in or affecting commerce in violation of Sections 5(a) and 12 of the Federal Trade Commission Act.

[illegible]

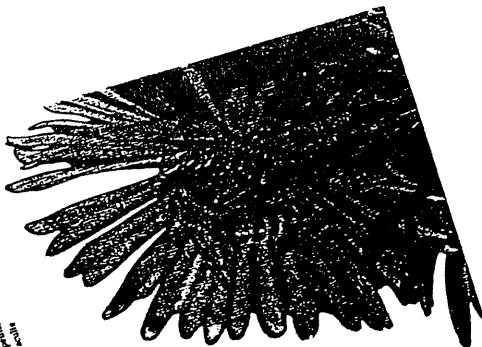
EXHIBIT C



Bee-Healing with Bee-Sweet

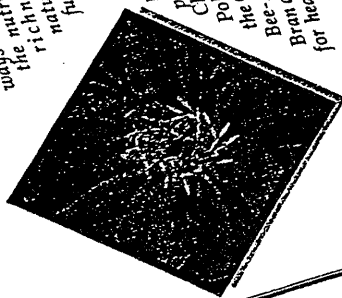
Neither a miracle drug nor a magic potion, bee pollen is a natural food, enzymes, vitamins, minerals, world packed with and trace around be effective, amino acids by doctors to be allergies to have shown bee pollen from fatigue performing illness, overweight, treating to one's.

arteriosclerosis.



Buzzing with Uddiwig

Busy living with Usunory



product from
Bee pol-
Bee pro-
len to Orange
polis, Bee
Chewable to
Pollen Tablets to Diet,
the Grapefruit Diet,
Bee-Awake to all formulating.


 Bran and Honey
 for healthful living.
 Bee-Sweet's products by the
 truck drivers and athletes, with their grueling
 hours and hard work, convinced of Bee-Sweet's
 health and hard work, convinced of Bee-Sweet's
 thousands. They their started on the road for our
 contribution who have started on the road for our
 the people with Bee-Sweet Products, restaurants and truck
 health products on sale in the country.
 stops across the country.



Robert Moore, Jr.

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FEDERAL TRADE COMMISSION DECISIONS

Complaint

EXHIBIT D

119 F.T.C.

Bee Pollen
Pure, whole grain bee pollen is packed into a Bee-Sweet, Tamper-Proof Capsule. We select the finest pollen sources from the purest sources. To get the most out of this natural food, or capsules, fillers, sugar, sodium, or 11 oz. ingested. Available in 50 capsules for \$10.95, 100 capsules for \$15.00, 200 capsules for \$20.00.

Bee Propolis
Modern scientists are learning what the ancients already knew: that bees secrete an amazing natural antibiotic: propolis. Many doctors now prescribe it to help treat illnesses such as sore throats, colds, and more. Many do to help infections in a natural food supplement. Bee-Sweet provides aid in a natural food supplement. Bee-Sweet capsules for \$12.95, 100 capsules for \$17.95. Available in 50 capsules of Bee Pollen for \$17.95.

Bee-Sweet
Bee-Sweet offers a natural way to control your appetite, without loss of precious vitamins and minerals. The pollen and propolis in Bee-Sweet help you to lose weight and work with you to help your diet. Bee-Sweet diet pill is a natural product. Bee-Sweet diet pill should contain all your Glucosamine, the Bee-Sweet diet pill, for \$12.95, 100 capsules for \$17.95, 200 capsules for \$20.00.

One-A-Day Bee Pollen
Vitamin rich bee pollen is America's favorite breakfast drink in a delicious, chewable tablet. Supplement your diet with these two vitamin tablets. The entire disease preventing of these natural tablets is easy for the family to enjoy. Available for \$8.95, 100 capsules for \$12.95, 200 capsules for \$16.00.

Bee-Sweet
For the long haul, trickers need extra energy. Bee-Sweet combines with the natural plant found in the natural plant. These two natural supplements are combined to produce a natural food supplement to produce a natural food supplement. One Bee-Sweet Bee-Sweet diet pill can give you a wide range of artificial stimulants. Available without the side effect of stimulating for \$7.95.

One-A-Day Bee Pollen
Finally there is help available for your cholesterol levels. One Bee-Sweet diet pill can give you a wide range of artificial stimulants. Available without the side effect of stimulating for \$7.95.

Bee-Sweet
Bee-Sweet offers a natural way to control your appetite, without loss of precious vitamins and minerals. The pollen and propolis in Bee-Sweet help you to lose weight and work with you to help your diet. Bee-Sweet diet pill is a natural product. Bee-Sweet diet pill should contain all your Glucosamine, the Bee-Sweet diet pill, for \$12.95, 100 capsules for \$17.95, 200 capsules for \$20.00.

CUSTOMER ORDER FORM

Name
Address
City
ZipState
Phone ()

ITEM LETTER	DESCRIPTION	BOTTLE SIZE	BOTTLE QUANTITY	BOTTLE PRICE	SUBTOTAL

☐ CHECK
☐ MONEY ORDER
☐ VISA
☐ MASTER CARD
CARD #
EXP DATE

Bee-Sweet, Inc.
P.O. Box 2252
Winston-Salem, NC 27102
Tel Free 1-800-233-1070
in NC 1-919-764-0853

Call To Order Cases

SUBTOTAL	
5% Sales Tax for NC residents	
C.O.D. \$3.30 (if applicable)	
TOTAL	

☐ SEND ME A DISTRIBUTOR PRICE LIST

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the New York Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents, their attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Bee-Sweet, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of North Carolina, with its office or principal place of business located at 10370 North, NC Highway 150, Clemmons, North Carolina.

Respondent Benny G. Morgan is an officer of said corporation. Individually and in concert with others, he formulates, directs, and controls the acts and practices of corporate respondent. Respondent Benny G. Morgan's business address is 10370 North, NC Highway 150, Clemmons, North Carolina.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

A. "*Bee pollen product*" shall mean any product intended for human consumption or use consisting in whole or in part of bee pollen and/or bee propolis in any form.

B. "*Competent and reliable scientific evidence*" shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

I.

It is ordered, That respondents Bee-Sweet, Inc., a corporation, its successors and assigns, and its officer, Benny G. Morgan, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, packaging, advertising, promotion, offering for sale, sale, or distribution of any bee pollen product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that:

A. Consumption of any bee pollen product is effective in the cure or mitigation of: (1) allergies, (2) arthritis, (3) anorexia, (4) obesity, (5) fatigue, (6) arteriosclerosis, (7) anemia, (8) lack of sexual stamina, (9) back pain, (10) digestive disorders, (11) pulse irregularities, (12) acne, (13) bleeding, (14) burns, (15) colds, (16) sore throats, (17) tonsillitis, (18) ulcers, or (19) urinary infections.

B. Any bee pollen product is an effective antibiotic for human use.

II.

It is further ordered, That respondents Bee-Sweet, Inc., a corporation, its successors and assigns, and its officer, Benny G. Morgan, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, packaging, advertising, promotion, offering for sale, sale, or distribution of any product or service for human consumption or use in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, that any such product or service for human consumption will have any effect on a user's health or physical condition, unless at the time of making such representation respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

III.

It is further ordered, That respondents Bee-Sweet, Inc., a corporation, its successors and assigns, and its officer, Benny G. Morgan, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, packaging, advertising, promotion, offering for sale, sale, or distribution of any product or service for human consumption or use in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test or study.

IV.

Nothing in this order shall prohibit respondents from making any representation that is specifically permitted in labeling for any bee

pollen product by regulations promulgated by the Food and Drug Administration pursuant to the Nutritional Labeling and Education Act of 1990.

V.

Nothing in this order shall prohibit respondents from making any representation for any drug that is permitted in labeling for any such drug under any tentative final or final standard promulgated by the Food and Drug Administration, or under any new drug application approved by the Food and Drug Administration.

VI.

It is further ordered, That respondents, or their successors and assigns, within thirty (30) days of the date of service of this order, shall send to each person or company that purchased for resale any bee pollen product from any respondent during the twelve (12) month period preceding the date of issuance of this order, a letter in the form set forth in Appendix I hereto. Each such letter shall be sent via the United States Postal Service, first class mail, postage pre-paid, to the last known address of the intended recipient.

VII.

It is further ordered, That for three (3) years after the last date of dissemination of any representation covered by this order, respondents, or their successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying: .

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

VIII.

It is further ordered, That:

A. Within thirty (30) days of the date of service of this order respondents shall distribute a copy of this order to respondents' officers, agents, representatives, and employees engaged in the marketing or sale of any bee pollen product; and

B. For a period of seven (7) years from the date of service of this order respondents shall distribute a copy of this order to each of respondents' officers, agents, representatives, and employees who become engaged in the marketing or sale of any bee pollen product. Such distribution shall be made within three (3) days of each such person's becoming so engaged.

IX.

It is further ordered, That:

A. Respondents shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, creation or dissolution of a subsidiary, or any other change in the corporation that may affect compliance obligations arising out of this order; and

B. For seven (7) years from the date of service of this order, Benny G. Morgan shall notify the Federal Trade Commission within thirty (30) days of the discontinuance of his present business or employment and of his new business or employment the activities of which include the advertising, offering for sale, sale, or distribution of: (1) any bee pollen product or (2) any product or service advertised, offered for sale, sold, or distributed for effect on a user's health or physical condition. Each such notice shall include Benny G. Morgan's new business address and a statement of the nature of the business or employment in which he is newly engaged as well as a description of his duties and responsibilities in connection with the business or employment.

X.

It is further ordered, That respondents shall, within sixty (60) days of the date of service of this order, file with the Federal Trade Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

APPENDIX I

(To be Printed on Bee-Sweet, Inc. Letterhead)

[Date]

Dear Customer,

We at Bee-Sweet have voluntarily entered into an agreement with the Federal Trade Commission ("FTC"). We have agreed to a cease and desist order under which we are writing to each of our purchasers for resale of bee pollen products. The purpose of this letter is to inform you that according to the FTC, health claims previously made by Bee-Sweet for bee pollen products are unsubstantiated by competent and reliable scientific evidence and, according to the FTC, are false.

The FTC order requires that for any representation to be made that a product or service will affect a user's health or physical condition, we must have competent and reliable scientific evidence that substantiates the representation. Bee-Sweet's promotional literature must comply with these FTC requirements.

Sincerely,

Benny G. Morgan
President
Bee-Sweet, Inc.

IN THE MATTER OF

NOTATIONS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE
TEXTILE FIBER PRODUCTS IDENTIFICATION ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3551. Complaint, Jan. 18, 1995--Decision, Jan. 18, 1995

This consent order prohibits, among other things, a Pennsylvania company and its president from misbranding any textile product by mentioning or implying that the product contains a fiber without using the generic fiber name required by the Textile Fiber Products Identification Act and the Federal Trade Commission rules, or by mentioning or implying that it contains a fiber when it, in fact, does not. The respondents also are required to file with the Commission a continuing guaranty applicable to all textile products they handle in the future.

Appearances

For the Commission: *Katharine B. Alphin.*

For the respondents: *Debra Klebanoff, Wolf, Block, Schorr & Solis-Cohen, Philadelphia, PA.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, 15 U.S.C. 41 *et seq.*, and the Textile Fiber Products Identification Act, 15 U.S.C. 70, hereinafter "Textile Fiber Act," and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Notations, Inc., a corporation, and Kurt Erman, individually and as an officer of said corporation, hereinafter sometimes referred to as respondents, have violated the provisions of said Acts, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Notations, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania with its office and