

Complaint

IN THE MATTER OF

**PANDA HERBAL INTERNATIONAL, INC., ET AL.**

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF  
SEC. 5 AND SEC. 12 OF THE FEDERAL TRADE COMMISSION ACT

*Docket C-4018; File No. 0023229*  
*Complaint, July 30, 2001--Decision, July 30, 2001*

This consent order addresses health-related advertising claims that Respondent Panda Herbal International, Inc. and its officer, Respondent Everett L. Farr III, disseminated on the Internet and elsewhere for their Herbal Outlook product – a dietary supplement that contains St. John’s Wort – and their HerbVeil 8 product, a topical ointment. The order, among other things, prohibits the respondents from representing that ingesting any Herbal Outlook product, or any covered product or service, is effective in the treatment of HIV/AIDS, herpes simplex, tuberculosis, influenza, or hepatitis B infections without possessing and relying upon competent and reliable scientific evidence that substantiates the representation. The order also prohibits the respondents from representing that application of any HerbVeil 8 product, or any covered product or service, is effective in the treatment of any cancer without possessing and relying upon competent and reliable scientific evidence that substantiates the representation. In addition, the order prohibits the respondents from representing that ingesting any Herbal Outlook product has no known contraindications or drug interactions. The order also requires the respondents to place a disclosure warning about St. John’s Wort’s potentially dangerous interactions with some prescription drugs in any advertisement, promotional material, or product label for any Herbal Outlook or similar product. In addition the order requires the respondents to provide refunds upon request to consumer purchasers of HerbVeil 8.

*Participants*

For the Commission: *Susan M. Luciano, Donald G. D’Amato, Michael Joel Bloom, Thomas A. Cohn, Barbara Anthony, Janis K. Pappalardo, Gerard R. Butters and Paul A. Pautler.*

For the Respondent: *Everett L. Farr III, pro se.*

**COMPLAINT**

The Federal Trade Commission, having reason to believe that Panda Herbal International, Inc., a corporation, also doing

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business as Viable Herbal Solutions, and Everett L. Farr III, individually and as an officer of the corporation (“respondents”), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

PARAGRAPH 1: Respondent Panda Herbal International, Inc. (“Panda”) is a Pennsylvania corporation with its principal office or place of business at 744 Walnut Avenue, Building 2, Bensalem, Pennsylvania 19020.

Respondent Everett L. Farr III is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the corporation, including the acts and practices alleged in this complaint. His business address is 744 Walnut Avenue, Building 2, Bensalem, Pennsylvania 19020.

PARAGRAPH 2: Respondents have advertised, offered for sale, sold, and distributed, among other products, Herbal Outlook, a dietary supplement containing, among other ingredients, St. John’s Wort, Passion Flower, Gotu-Kola, and Kava Kava; and HerbVeil 8, a topical ointment containing, among other ingredients, distilled water, Bloodroot, Zinc Chloride, and Red Clover. Panda’s Herbal Outlook and HerbVeil 8 are “food” and/or “drugs” within the meaning of Sections 12 and 15 of the Federal Trade Commission Act, 15 U.S.C. §§ 52 and 55.

PARAGRAPH 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.

**Herbal Outlook**

PARAGRAPH 4: Respondents have disseminated or have caused to be disseminated advertisements for Herbal Outlook, including, but not limited to, the attached Exhibits A and B.

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Advertisements for Herbal Outlook have been disseminated through websites on the Internet. Panda's website, <http://www.viable-herbal.com> (excerpted in Exhibit A), contains the following statement:

Herbal Outlook - A Formula for Depression. The herbal ingredients in this formulation . . . have no known contraindications or side effects. . . .

CONTRAINDICATIONS: None. Consult your physician before using this product if you are pregnant, lactating, have high blood pressure, or are being treated for a serious medical condition. ABOUT THE ACTIVE

INGREDIENTS . . . . The New York University Medical Center and the Weizmann Institute of Science reported the discovery of two substances in St. John's Wort, hypericin and pseudohypericin, that displayed anti-viral activity against some retroviruses. Retroviruses include the human immunodeficiency virus (HIV), and the authors suggested that these herbal products could be useful in the treatment of AIDS. . . . Extracts of St. John's Wort are now known to inhibit the growth of Mycobacterium tuberculosis, the most common cause of tuberculosis . . . . St. John's Wort has also been reported to have anti-viral activity against herpes simplex virus, influenza virus and hepatitis B virus.

In addition, the package label for Herbal Outlook (Exhibit B) contains the following statement:

NO KNOWN WARNINGS OR CONTRAINDICATIONS.

PARAGRAPH 5: Through the means described in Paragraph 4, respondents have represented, expressly or by implication, that ingestion of Herbal Outlook is effective in the treatment of HIV/AIDS, herpes simplex, tuberculosis, influenza, and hepatitis B infections.

PARAGRAPH 6: Through the means described in Paragraph 4, respondents have represented, expressly or by

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implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraph 5 at the time the representations were made.

PARAGRAPH 7: In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 5 at the time the representations were made. Respondents have produced no well-controlled scientific studies involving human subjects showing that ingestion of Herbal Outlook is effective in the treatment of HIV/AIDS, herpes simplex, tuberculosis, influenza, or hepatitis B infections. Therefore, the representation set forth in Paragraph 6 was, and is, false or misleading.

PARAGRAPH 8: Through the means described in Paragraph 4, respondents have represented, expressly or by implication, that ingestion of St. John's Wort, an ingredient in Herbal Outlook, is effective in the treatment of HIV/AIDS. Respondents have failed to disclose that ingestion of St. John's Wort is not compatible with use of protease inhibitors and other drugs used in the treatment of HIV/AIDS. This fact would be material to consumers in their purchase or use of the product. The failure to disclose this fact, in light of the representation made, was, and is, a deceptive practice.

PARAGRAPH 9: Through the means described in Paragraph 4, respondents have represented, expressly or by implication, that ingestion of St. John's Wort, an ingredient in Herbal Outlook, has no known contraindications or drug interactions.

PARAGRAPH 10: In truth and in fact, ingestion of St. John's Wort, an ingredient in Herbal Outlook, has known contraindications and drug interactions. Ingestion of St. John's Wort may reduce the effectiveness of drugs used to treat HIV/AIDS, as well as the effectiveness of cyclosporine (a drug used to prevent organ transplant rejection), the effectiveness of anticoagulants (such as warfarin), and the effectiveness of birth

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control pills. Therefore, the representation set forth in Paragraph 9 was, and is, false or misleading.

**HerbVeil 8**

PARAGRAPH 11: Respondents have disseminated or have caused to be disseminated advertisements for HerbVeil 8, including, but not limited to, the attached Exhibit C. Advertisements for HerbVeil 8 have been disseminated through, among other media, websites on the Internet. Panda's website advertisement, <http://www.viable-herbal.com> (excerpted in Exhibit C), contains the following statement:

HerbVeil 8 is a botanical preparation having remarkable anti-tumor properties when used as directed. The topical ointment, when applied externally to dermal or epidermal lesions, necroses (*kills*) the aberrant tissue and creates an 'eschar' on the skin shortly after application. The body's natural rejuvenation system expels the resultant 'scab', leading a cavitated 'pit' area where the lesion had existed. . . . No residual cells from the original neoplasm will remain, and there will be no 'recurrence' of the ailment in the area of the treatment. HerbVeil 8 has been used in the successful removal of carcinoma, adenocarcinoma, and melanoma.

PARAGRAPH 12: Through the means described in Paragraph 11, respondents have represented, expressly or by implication, that topical application of HerbVeil 8 is effective in the treatment of carcinomas, adenocarcinomas, and melanomas.

PARAGRAPH 13: Through the means described in Paragraph 11, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraph 12 at the time the representations were made.

PARAGRAPH 14: In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the

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representations set forth in Paragraph 12 at the time the representations were made. Respondents have produced no scientific studies involving human subjects showing that topical application of HerbVeil 8 is effective in the treatment of carcinomas, adenocarcinomas, and melanomas. Therefore, the representation set forth in Paragraph 13 was, and is, false or misleading.

PARAGRAPH 15: 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.

THEREFORE, the Federal Trade Commission this thirtieth day of July, 2001, has issued this complaint against respondents.

By the Commission.



## *Herbal Outlook*

### **A Formula for Depression**

#### *A Synergistic Botanical Preparation*

***Herbal Outlook - A Formula for Depression*** - is a botanical alternative medicine formulation which provides an increased sense of well-being & contentment, improved mental function & stamina, and increased energy. This formulation is also designed to cleanse toxins from the body that may be contributing to the depressive state.

Depression seems to be more prevalent today than it was years ago, and it affects people of all ages and all socioeconomic levels. Obviously, depression is a problem for the sufferer, but it can also be a difficulty for others who are associated with the depressed individual. The intensity of depression can vary from mild to extremely severe (*where it can lead to serious problems, including suicide*). Causes of depression are also varied, and include chemical imbalances, reactions to medication being administered for other purposes, stress, and mental disorders. Traditional pharmaceuticals often rely on a limited number of available anti-depressive drugs, such as Prozac, to treat the patient. Drugs like Prozac work by increasing the levels of Serotonin in the neuro-transmission system. However, these orthodox treatments have unpredictable results, and also have significant side-effects for a large number of users, including nausea, diarrhea, and sexual dysfunction. The herbal ingredients in this formulation, by comparison, have a history of effective treatment for depressive disorders, and also have no known contraindications or side effects.

**PURPOSE OF FORMULATION:** To treat the various causes, and symptoms, of depression.

**OTHER APPLICATIONS:** Anxiety, nervous tension, chronic fatigue syndrome, mononucleosis, and thoughts of worthlessness & suicide.

**FORM:** Capsules (600 mg. each)

**HERBAL INGREDIENTS:** Standardized herbal extracts of Wild Oat (*Avena sativa*), St. John's Wort (*Hypericum perforatum*), Kava Kava (*Diper methysticum*), Gotu Kola (*Centella asiatica*), Schizandra (*Schizandra frutus, chinensis*), Feverfew (*Chrysanthemum parthenium*), Horehound

(*Marrubium vulgare*), *Damiana* (*Turnera diffusa*), *Passion Flower* (*Passiflora incarnata*), *Valerian Root* (*Valeriana officinalis*), *Borage* (*Borago officinalis*), and *Ginkgo Biloba* (*Ginkgo biloba*).

**RECOMMENDED DOSAGE:** Two (2) capsules, three (3) times a day, for ten (10) days. Continue use of this product at the recommended dosage as long as feelings of anxiety, nervous tension, fatigue, and/or depression are obviously present. As symptoms subside, begin to reduce dosage accordingly. Maintain product use for some period (*several weeks*) even if no further symptoms are present. Do not exceed recommended dosage.

**CONTRAINDICATIONS:** None. Consult your physician before using this product if you are pregnant, lactating, have high blood pressure, or are being treated for a serious medical condition.

### ABOUT THE ACTIVE INGREDIENTS



*Viable Herbal Solutions understands today's issues regarding better health and well-being, and we offer you the benefit of our personal, technical & professional experience through the various products we provide. This brief overview is designed as an introduction to the well-known benefits of common herbs and plants which are used to produce our Herbal Outlook Formula for Depression.*

**WILD OAT** is an annual grass which is widely cultivated for its edible grain. A fibrous root produces a hollow, jointed stem from 2-4 feet high with more or less rough, pale green, narrow, flat leaves. Oat has been used traditionally for its antispasmodic, nervine, and stimulant properties. Wild Oat, also called Oat, is used primarily for its nutritional value; Oat is of particular benefit in special diets for convalescents, or for those with certain illnesses, including gastroenteritis and dyspepsia. Oat extract and tincture are useful as nerve & uterine tonics.

**ST. JOHN'S WORT**, also known as Goatweed, Hypericum and Klamath Wee, belongs to a group of about two hundred herbs of the family Hypericaceae. This aromatic perennial herb is found throughout Europe and the United States, producing golden yellow flowers that seem particularly abundant on June 24, the traditional birthday of John the Baptist. Ergo the name in honor of St. John. St. John's Wort was popular with ancient medical authorities and was commonly recommended as a folk remedy for the treatment of infectious diseases such as colds, syphilis, tuberculosis, dysentery, whooping cough and worms. St. John's Wort has also been used as a folk remedy for the treatment of depression, anxiety, mania, hypochondria, fatigue, hysteria and insomnia. Over time, with the advent of modern pharmaceutical science, St. John's Wort was nearly forgotten as a medicinal herb. Only recently has St. John's Wort gained a new reputation, particularly in Europe, as an effective nerve tonic for treatment of anxiety, depression, and unrest. A report in a leading German medical journal in 1984 demonstrated significant improvement in depression, anxiety and insomnia in nine people taking oral extracts of St. John's Wort. Recent studies have linked the antidepressant effects of St. John's Wort to various contained xanthenes and flavonoids that act as monoamine oxidase (MOA) inhibitors.

Tests on small animals and preliminary tests in humans have confirmed this activity. In a study published in the Journal Proceedings of the National Academy of Sciences in 1988, researchers from The New York University Medical Center and The Weizmann Institute of Science reported the discovery of two substances in St. John's Wort, hypericin and pseudohypericin, that displayed anti-viral activity against some retroviruses. Retroviruses include the human immune deficiency virus (HIV), and the authors suggested that these herbal products could be useful in the treatment of AIDS. Extracts of St. John's Wort are now known to inhibit the growth of Mycobacterium tuberculosis, the most common cause of tuberculosis, as well as the bacteria staphylococci, shigella and Escherichia coli. Researchers have also shown that St. John's Wort inhibits the growth of some strains bacteria that are highly resistant to antibiotics, such as Staphylococcus aureus, enterococcus and Pseudomonas aeruginosa. St. John's Wort has also been reported to have anti-viral activity against herpes simplex virus, influenza virus and hepatitis B virus. Hypericin and pseudohypericin appear to be the active therapeutic components of St. John's Wort, though other substances, including protein, fat, tannin, vitamins A and C, carotenoids, rutin and pectin support it's activities. The presence of hypericin and pseudohypericin distinguish St. John's Wort from other herbs, and both compounds are promising candidates for the treatment of HIV disease, including ARC and AIDS, as noted above.

**KAVA KAVA**, also known as kava pepper, is an exciting botanical that has gained recent popularity in United States due to its availability. Though Kava Kava is relatively new to the U.S., it is certainly not a new herb. Kava Kava has been used in Polynesia, Melanesia and Micronesia in the South Pacific for over 3,000 years. Kava Kava is an effective relaxant and sleep aid, able to induce a feeling of relaxation, peace and contentment, along with a sharpening of the senses. More recently, in the past few hundred years, Kava Kava has also gained popularity with the natives of Hawaii, Australia and New Guinea where it is used medicinally as well as recreationally. Kava was first mentioned in the scientific records in 1886, and by 1993 the active ingredients, Kavalactones, were detected by mass spectrometry. Over the past 100 years, extensive analytical investigation of the Kava root has revealed that the active ingredients in Kava Kava, the kavalactones, comprise 15% of the root. Of the fifteen lactones isolated from Kava Kava, there are six major lactones (*kavalactones*) known to provide psychoactive activity: kawain, methysticin, demethoxy-yangonin, dihydrokawain, dihydromethysticin, and yongonin. All kavalactones are physiologically active, though it is the fat-soluble kavalactones derived from kava resin that convey the main psychoactive activity. Absorption in the gastrointestinal tract is remarkably rapid, so the effects are felt almost immediately. The kavalactones are pharmacologically effective and differences in their actions are qualitative as well as quantitative. Increased cognitive function has been observed with Kava Kava use, according to a 1993 article in Neuropsychobiology. Unlike sedatives, Kava Kava improves mental function instead of "dulling the brain. And unlike alcohol or sedatives, it would be extremely difficult to build up a tolerance to Kava Kava (*Clinical and Experimental Pharmacology*, 1992, 18:571). Kava root is primarily used as a natural sedative and sleep inducer. It is also effective in reducing menstrual cramps. Kava is obviously not recommended for those who intend to drive or conduct any activity which requires fast reaction time. Pharmaceutical grades of natural Kava root are available from reputable companies in the United States. Synthetic Kava can be produced, but does not possess the same soothing qualities of naturally extracted kavalactones from the Kava plant. Correctly extracted Kava Kava will contain all six kavalactones in high concentrations (25-30%).

**SCHIZANDRA** is a highly prized herb by Chinese women as a sexual enhancer and youth tonic. It is believed to preserve beauty, and is a mild sedative. Schizandra is also reputed to increase sexual stamina among men. Until recently, this herb was rare and relatively expensive. It was highly coveted by the wealthy, and a favorite among the Chinese emperors. Schizandra is also considered an adaptogen, and similar to ginseng, it is believed to increase stamina and fight against fatigue. It has

also been used effectively as an antidepressant. Recent research supports these claims. According to a 1989 article in "Phytotherapy Research", polo horses given Schizandra performed better and showed better physiological responses to stress after taking the herb. Today, Schizandra is widely available in both capsules and extracts.

**GOTU KOLA**, being a naturally excellent neural tonic, slowly builds mental stamina and neural health. Gotu kola is an excellent treatment for nervous breakdown. In addition, Gotu kola, according to Asian and European practice, is an excellent blood purifier, glandular tonic and diuretic. Gotu kola is commonly used for diseases of the skin, blood and nervous system. Gotu kola contains 'asiaticoside' which is used routinely in the Far East to treat leprosy and tuberculosis. The people of India use this plant specifically to improve memory and longevity. Unlike the pronounced, quick-acting anti-fatigue properties of Capsicum, the combination of Ginseng and Gotu kola have been found to gradually increase overall energy or activity levels, thus increasing the body's metabolic rate. Gotu kola contains no caffeine at all, and is not related whatsoever to the Kola nut (*a standard source of caffeine in today's world*).

**FEVERFEW**, also known as Bachelor's Button, is a common flowering aromatic plant. Feverfew was known to the ancient Egyptians and Greeks who regarded it as a valuable remedy to alleviate headaches, joint pain, stomach aches, menstrual pains and fever. For centuries, it has also been employed as an emmenagogue to promote menstrual flow. Modern researchers confirm that Feverfew is a valuable herbal remedy that is especially effective in treating migraine headaches and arthritis. Feverfew contains a number of lactones, among them parthenolide, michefuscalide and chrysanthenyl. The main active sesquiterpene lactone, parthenolide, is known to inhibit the production and secretion of prostaglandins - substances released by blood platelets and white blood cells that contribute to migraines. White blood cells secrete substances believed to contribute to the kind of inflammatory processes seen in arthritis, and possibly some other auto-immune disorders. Another substance, Serotonin, is also secreted by blood platelets and can constrict blood vessels and contribute to migraine pain. This inhibition of prostaglandins results in reduction in inflammation, decreased secretion of histamine, and a reduction of fevers, thus the name Feverfew. Feverfew has also been useful in relaxing smooth muscles in the uterus, promoting menstrual flow and inhibiting platelet aggregation and excessive blood clotting. Feverfew also helps stimulate digestion and improves liver function.

**HOREHOUND** is a perennial plant found in waste places, in upland fields and pastures, and along roadsides in coastal areas of the U.S., Canada, Mexico, and Europe. A fibrous, spindle-shaped rootstock sends up numerous bushy, square, downy stems. This herb has been shown effective when used as a diaphoretic, diuretic, expectorant, stimulant, and tonic. Horehound is above all a remedy for coughing, and bronchial problems generally. It has also shown to aid in the restoration of the normal balance of secretions by various body organs and glands, and hence its inclusion in this formulation. It has shown positive results in treating nervous heart conditions, and to calm overall heart action.

**DAMIANA** leaf has one of the strongest reputations for building enhanced sexual activity. This reputation extends over hundreds of years. Damiana's use as an aphrodisiac can be traced to the ancient Mayans, but in modern times it is still popularly used as a sexual stimulant. Damiana leaf contains beta-sitosterol and various aromatic oils that create a stimulant effect on the body's sexual organs, helping to build stronger and more consistent sexual responses, and providing better sexual health and reproductivity.

**PASSION FLOWER** was first investigated scientifically less than 100 years ago when it was found

to possess an analgesic (*pain-killing*) property, and to prevent, without side effects, sleeplessness caused by brain inflammation. Since then, the sedative properties of Passion Flower have been observed and documented in many studies. Passion Flower is an extremely popular herb in Europe where it is often used to induce relaxation and sleep, an effect first experimentally verified in 1920. In that study, the researcher noticed that, unlike what happens with narcotics, sleep was induced normally, with easy, light breathing, and with little or no neural or mental depression. Upon awakening, the patients showed no signs of confusion or stupor or melancholy. In 1979, about 50 preparations on the market in Germany contained Passion Flower - 42 were sedatives, and 6 were cardiotonics. These preparations were recommended for nervous or easily aroused children, cardiovascular neurosis, bronchial asthma, coronary diseases, weak circulation, sleep disorders, problems of concentration in school children, and geriatrics.

**VALERIAN ROOT** is a tall perennial herb with hollow stems that bear white or reddish flowers. The vertical rhizome and attached rootlets are harvested in the autumn of the second year's growth. These plant parts possess an unpleasant aroma due to the contained volatile oils. Valerian extract, derived from the dried rhizomes and roots of the plant, has been used for thousands of years as a folk remedy, tranquilizer and calmative for several disorders such as restlessness, nervousness, insomnia, hysteria, menstrual problems, and as a sedative for "nervous" stomach. Valerian root is one of the most studied plants. Valerian, and/or its major constituents, the valepotriates, have marked sedative, anticonvulsive, hypotensive, tranquilizing, neurotropic, and anti-aggressive properties. These effects result from a selective neurotropic action of the root on higher brain centers. The herb's primary functional effect is to suppress and regulate the autonomic nervous system. As a result, it has been found effective in treating psychosomatic diseases and childhood behavioral disorders that involve dysregulation of the autonomic nervous system. Valerian extracts are currently used in scores of compounds and teas in Europe. Valerian is perhaps best characterized as a minor tranquilizer when administered in the form of a tea, a tincture or an extract.

**BORAGE** tea was given to competitor in tournaments of medieval times as a moral booster. "I, borage bring always courage", was a popular rhyme of the day. Borage is an annual plant that grows wild in the Mediterranean countries. The hollow, bristly, branched stem grows up to 2 feet tall. Borage has been used for various medicinal purposes over the years as an aperient, diaphoretic, febrifuge, galactagogue, pectoral, and tonic. Borage is good for reducing fever and for restoring vitality during convalescence from illness. Its diaphoretic action is also credited with some antidotal effect against several poisons. This herb also exhibits some calmative properties that make it useful for nervous conditions. Borage has also been recommended for pleurisy and peritonitis for its calmative and anti-inflammatory action.

**GINKGO BILOBA** is one of the oldest living tree species, dating back over 300 million years, and individual trees can live for over 1,000 years. In China, extracts of the fruit and leaves of the ginkgo tree have been used for over 5,000 years to treat lung ailments such as asthma and bronchitis, and also as a remedy for various cardiovascular diseases. Recently, western researchers have been studying Ginkgo biloba as a treatment for senility, hardening of the arteries, and as a treatment for oxygen deprivation. Ginkgo increases the body's production of the universal energy molecule adenosine triphosphate, commonly called ATP. This activity has been shown to boost the brain's energy metabolism of glucose, thus acting in this formulation as a catalyst for effective weight reduction processes. Scientists have also shown that Ginkgo contains an abundance of useful compounds, including the antioxidants Vitamin C and carotenoids, but it is the flavonoid compounds collectively known as "ginkgolides" that are the most remarkable. The Ginkgo flavonoids act specifically to dilate the smallest segment of the circulatory system, the micro-capillaries, which has a widespread affect on

the body's organs, especially the brain. Researchers have also reported that Ginkgo extracts effectively increase blood circulation and increase oxygen levels in brain tissues. Ginkgo is a powerful antioxidant that prevents platelet aggregation inside arterial walls, keeping them flexible and decreasing the formation of arteriosclerotic plaque.

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*Herbal Outlook is being sold as a dietary supplement. All ingredients comply with F.D.A. regulations. This Product is distributed exclusively by Viable Herbal Solutions of Morrisville, PA.*

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**Herbal Outlook - A Formula for Depression** is available from **Viable Herbal Solutions** for \$22. **Orders** can be placed by contacting our home office where we gladly accept VISA, MasterCard and American Express.

***Viable Herbal Solutions***

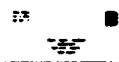
P.O. Box 969

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Fax: (800) 505-9476 (215) 337-8186

Email: [sales@viable-herbal.com](mailto:sales@viable-herbal.com)



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**Viable Herbal Solutions** provides a full 100% money-back guarantee for all of its products. If, for any reason, you are not totally satisfied with the results of product usage, simply notify **VHS** with your reasons for dissatisfaction, and return the unused portion of the product within 60 days of purchase for a complete refund.

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**Key Benefits:**

- .....all natural, herbal ingredients.
  - .....provides increased sense of well-being & contentment.
  - .....improves mental function & stamina.
  - .....increases energy.
  - .....competitively priced.
  - .....guaranteed results.
- 

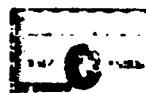
**Pricing:**

| DESCRIPTION                                | FORM        | SIZE         | ITEM # | PRICE |
|--------------------------------------------|-------------|--------------|--------|-------|
| Herbal Outlook -<br>Formula for Depression | 60 capsules | 600 mg. each | HO1001 | \$22  |

**Ordering:**

| VHS<br>PRODUCT<br># | PRODUCT NAME &<br>DESCRIPTION              | UNIT<br>PRICE<br>(\$) | SHOPPING CART        |
|---------------------|--------------------------------------------|-----------------------|----------------------|
| HO1001              | Herbal Outlook - Formula for<br>Depression | \$22                  | Add To Shopping Cart |
| View Shopping Cart  |                                            |                       |                      |

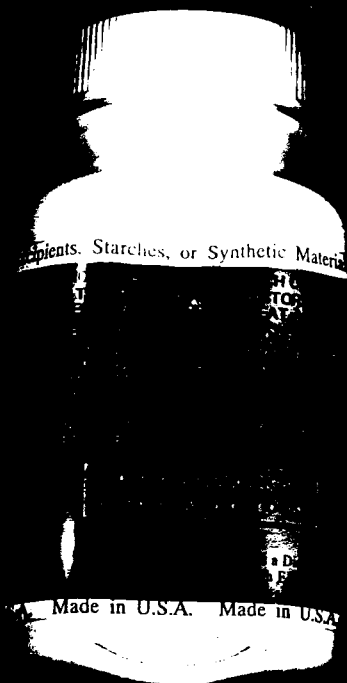
Ordering information is encrypted using Secure Socket Layer (SSL) protocol  
before being transferred to our SECURE Web Server for processing.

**Herbal Outlook - Information Request Form**

*Select the items that apply, and then let us know how to contact you.*

- ☒ Please send Product Literature
- ☐ Please send Company Literature
- ☐ Please send Distributor Information & Application Forms
- ☐ Please have a Customer Service Representative contact me

Name: Company:



Back of Herbal Outlook Bottle



## *HerbVeil 8*

### Escharotic Salve

#### *A Synergistic Botanical Preparation*

***HerbVeil 8 - Escharotic Salve*** - is a alternative medicine botanical formulation having remarkable anti-tumor properties when used as directed. The topical ointment, when applied externally to dermal or epidermal lesions, necroses (*kills*) the aberrant tissue and creates an "eschar" on the skin shortly after application. The body's natural rejuvenation system expels the resultant "scab", leaving a cavitated "pit" area where the lesion had existed. And over a period of several weeks (*perhaps months for severe cases*), the body continues to heal the cavitated area, usually leaving a slight depigmentation of the skin. No residual cells from the original neoplasm will remain, and there will be no "recurrence" of the ailment in the area of treatment. *HerbVeil 8* has been used in the successful removal of carcinoma, adenocarcinoma, and melanoma.

**PURPOSE OF FORMULATION:** Topical lotion belonging to a class of compounds known as "escharotics" for effective treatment of all varieties of skin conditions.

**OTHER APPLICATIONS:** All external skin conditions.

**FORM:** Salve (1/2 oz. glass vials)

**HERBAL INGREDIENTS:** Standardized herbal extracts of Chaparral (*Larrea tridentata*), Zinc Chloride, Cayenne (*Capsicum frutescens*), Bloodroot (*Sanguinaria canadensis*), Red Clover (*Trifolium pratense*), Birch Bark (*Betula alba*), DMSO (*dimethyl sulfoxide*), Burdock Root (*Arctium lappa*), and Irish Moss (*Chondrus crispus*).

**RECOMMENDED USAGE:** Intended for a single, self-application by using a standard household cotton swab. The salve should be applied directly to the lesion, or neoplastic tissue, in a thin coating, almost lightly 'caked', with a slight overlap onto the surrounding healthy tissue. Be sure to wash hands thoroughly both before, and after, applying *HerbVeil 8*. Properly discard the cotton swab after use.

**CONTRAINDICATIONS:** None. In some cases, there may be a 'burning sensation' associated with initial use of the product, and this is acceptable. Normal over-the-counter (OTC) products such as *Viable Herbal Solutions' Herbagesic - A Formula for Pain*, or other non-prescription pain killers, can be used to minimize this affect. This product is not intended for oral consumption. Apply to the

lips, if necessary, but not directly into the mouth. Never apply the product near mucous membranes. *HerbVeil 8* is not intended for use on skin-burned tissue, nor open wounds that are caused by puncture or penetration by an intruding object - that is, a cause other than the invasiveness of the neoplasm itself.

### ABOUT THE ACTIVE INGREDIENTS



*Viable Herbal Solutions understands today's issues regarding better health and well-being, and we offer you the benefit of our personal, technical & professional experience through the various products we provide. This brief overview is designed as an introduction to the well-known benefits of common herbs and plants which are used to produce our HerbVeil 8 Escharotic Salve.*

**CHAPARRAL** is undoubtedly beneficial for some people with certain types of cancer in certain stages of development, but it is not clear who may benefit, which cancers are most susceptible, or at which stage of cancer development the herb is most effective. It has been repeatedly shown that NDGA (*nordihydroguaiaretic acid*), the active principle in Chaparral, is poisonous to some kinds of cancer cells while not affecting normal cells. The herb's effectiveness against other forms of skin diseases may be attributed to its anti-microbial properties, its ability to increase ascorbic acid levels in the adrenals, or its tonic quality.

**ZINC CHLORIDE**, also called "Butter of Zinc", is a compound occasionally used in escharotic skin creams & salves for the treatment of skin cancer and other dermal / epidermal conditions. Zinc chloride assists in the absorption of the herbal nutrients & active ingredients of this formulation through the dermal layer and into the bloodstream.

**CAYENNE** is primarily a kind of catalyst in the blood purification process. Cayenne has positive effects on circulation, the heart, the stomach, and all other systems of the body. But it is not usually thought of as a tonic. It is generally considered a carminative (*expelling gas from the stomach & intestines*) and a stimulant. The stimulant property, however, is so prevalent that increased tonus of nerves & glands is a major end result of its action. It stimulates the vital organs to greater activity levels, and promotes cardiovascular efficiency, while lowering overall blood pressure. Additionally, Cayenne acts directly as a diaphoretic, stimulating excretion of wastes in the sweat. By increasing the circulation of blood to peripheral tissues, Cayenne helps ensure that nutrients (*including those obtained from this and other herbal preparations*) are effectively delivered to inflamed and infected areas. Cayenne also helps regulate cholesterol and lipid levels.

**BLOODROOT** is a small perennial plant, about 6 inches high, found in shaded, rich soils in the northeastern states of the U.S. The finger-thick rootstock contains red juice when fresh; when dried it is yellow inside and brown outside. Bloodroot has been used as a diuretic, emetic, emmenagogue, expectorant, febrifuge, stimulant, and tonic. Bloodroot has been used historically in numerous topical preparations for the treatment of various skin cancers, and also for sores, warts, eczema, and other dermal & epidermal problems. It has also been used internally in herbal preparations for congestive lung conditions such as emphysema and chronic bronchitis.

**RED CLOVER** has been used in America for over 100 years to treat and prevent cancer, and also as a sedative for whooping cough. In Europe, Red Clover has been used as a diuretic to treat gout, and

also as an expectorant. Because of its high content of several important nutrients, including vitamins and minerals, Red Clover has become a dependable nutritive supplement in all forms of degenerative disease. Antibiotic tests on Red Clover have shown it to possess activity against several bacteria, the most significant of which is the pathogen that causes tuberculosis.

**BIRCH BARK** is considered both a bitter and an astringent. A leaf tea made by infusion is said to eliminate gravel and dissolve kidney stones when taken daily for a time. This herb has also been used successfully as a cream, salve, wash or bath additive for the treatment of skin problems, including Melanoma, resulting from the action of the betulinic acid occurring naturally in the bark of the tree. Also, the inner bark contains an oil which is sometimes substituted for wintergreen in various over-the-counter (OTC) skin liniments.

**DMSO** (*Dimethyl suloxide*) is a by-product of wood. DMSO has been reported to relieve pain, diminish swelling, reduce inflammation, encourage healing, and restore normal function. DMSO is typically used for a variety of disorders, including cancer, arthritis, stroke, mental retardation, and various sports injuries.

**BURDOCK ROOT** is your all around blood purifier, its action being simple, yet profound. It produces gradual beneficial changes within the body by improving general nutrition and by gradually altering the health of the blood. It is both a diuretic (*increases the secretion and flow of urine*) and a diaphoretic (*induces perspiration*). Burdock has also been shown to enhance liver and bile functions. Bacteriostatic principles have been isolated from Burdock root, and it has been found to inhibit tumor growth. Documented effects include treatment of scurvy, venereal eruptions, leprosy, and other cankerous skin conditions.

**IRISH MOSS** is used as a stabilizer in such dairy products as ice creams, sherbets, chocolate milk, yogurt and whipped cream. In its raw form, Irish Moss is used as a bulk laxative, which also coats and soothes the entire gastrointestinal tract. In various forms, it alleviates peptic and duodenal ulcers in humans while having no adverse effects on the colon.

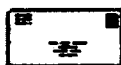
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*Each of the products contained in the **HerbVeil 8 Full Escharotic Healing Program**, including the Escharotic Salve, is being sold as a dietary supplement. All ingredients comply with F.D.A. regulations. This Product is distributed exclusively by **Viable Herbal Solutions** of Morrisville, PA.*

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**HerbVeil 8 - Escharotic Salve** - is available from **Viable Herbal Solutions** for \$39. Orders can be placed by contacting our home office where we gladly accept VISA, MasterCard and American Express.

**Viable Herbal Solutions**  
P.O. Box 969  
Morrisville, PA. 19067-0969  
Phn: (800) 505-9475 (215) 337-8182  
Fax: (800) 505-9476 (215) 337-8186  
Email: [sales@viable-herbal.com](mailto:sales@viable-herbal.com)



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*Return to Web Site Navigation Panel*

**Viable Herbal Solutions** provides a full 100% money-back guarantee for all of its products. If, for any reason, you are not totally satisfied with the results of product usage, simply notify **VHS** with your reasons for dissatisfaction, and return the unused portion of the product within 60 days of purchase for a complete refund.

### Key Benefits:

- .....all natural, herbal ingredients.
- .....effective treatment for all varieties of skin conditions.
- .....remarkable anti-tumor properties.
- .....most users need only one (1) application for effective results.
- .....necroses (*kills*) the aberrant tissue.
- .....no danger to healthy surrounding skin tissue.
- .....guaranteed satisfaction.

### Pricing:

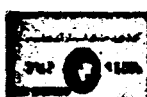
| DESCRIPTION                                     | FORM / SIZE                                                    | ITEM # | PRICE |
|-------------------------------------------------|----------------------------------------------------------------|--------|-------|
| <u>Full 5-Part Escharotic Healing Program</u>   | Escharotic Salve + 2 Healing Creams, plus maintenance formulas | HV1000 | \$129 |
| <u>Full 2-Part Escharotic Treatment Program</u> | Escharotic Salve + 2 Healing Creams                            | HV2000 | \$69  |
| HerbVeil 8 Escharotic Salve                     | 1/2 oz. glass vial                                             | HV1001 | \$39  |

### Ordering:

| VHS PRODUCT # | PRODUCT NAME & DESCRIPTION                              | UNIT PRICE (\$) | SHOPPING CART                        |
|---------------|---------------------------------------------------------|-----------------|--------------------------------------|
| HV1000        | HerbVeil 8 - Full (5-part) Escharotic Healing Program   | \$129           | <a href="#">Add To Shopping Cart</a> |
| HV2000        | HerbVeil 8 - Full (2-part) Escharotic Treatment Program | \$69            | <a href="#">Add To Shopping Cart</a> |
| HV1001        | HerbVeil 8 - Escharotic Salve only (1/2 oz.)            | \$39            | <a href="#">Add To Shopping Cart</a> |

[View Shopping Cart](#)

Ordering information is encrypted using Secure Socket Layer (SSL) protocol before being transferred to our SECURE Web Server for processing.

[Order Product Now!](#)

### HerbVeil 8 Escharotic Salve - Information Request Form

*Select the items that apply, and then let us know how to contact you.*

- ☒ Please send Product Literature
- ☐ Please send Company Literature
- ☐ Please send Distributor Information & Application Forms
- ☐ Please have a Customer Service Representative contact me

Name:

Company:

Address:

City/State/Zip:

Country:

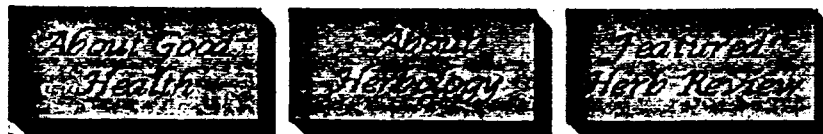
Telephone:

FAX:

E-mail:

[Submit Information Request](#)[Reset Form](#)

# Viable Herbal Solutions' Web Navigation Panel



*Viable Herbal Solutions' Web Site is designed to be an up-to-date intelligent resource of alternative medicine herbal health information and herbal product offerings that nourish both the human mind & body. Inside our Web Pages, you will find a wealth of scientifically accurate information on a host of current health & wellness issues, as well as access to some of the finest cutting-edge herbal formulations and herbal remedies currently available. We hope you'll find our rapidly developing Web Site to be a positive & comprehensive resource for improving the quality of life for yourself, and for those you care for. We look forward to serving you, and genuinely welcome your comments and suggestions. After you review our Web Site, we would appreciate your comments & suggestions in our On-Line Guest Book.*

|                                                |                                     |                                            |                                           |
|------------------------------------------------|-------------------------------------|--------------------------------------------|-------------------------------------------|
| <a href="#">About The Company</a>              | <a href="#">Product Index</a>       | <a href="#">Product Ingredients</a>        | <a href="#">SECURE Product Order Form</a> |
| <a href="#">Satisfaction Guarantee</a>         | <a href="#">How To Contact Us</a>   | <a href="#">Business Opportunities</a>     | <a href="#">Distributor Application</a>   |
| <a href="#">About Good Health</a>              | <a href="#">About Herbology</a>     | <a href="#">Detailed Herb Descriptions</a> | <a href="#">Featured Herb Review</a>      |
| <a href="#">Alternative Medicine Spotlight</a> | <a href="#">Custom Blends</a>       | <a href="#">Bulk Herbs &amp; Extracts</a>  | <a href="#">Volume Purchases</a>          |
| <a href="#">What's New</a>                     | <a href="#">Your Feedback To Us</a> | <a href="#">Web Contents</a>               | <a href="#">Search This Web Site</a>      |
| Phn: 800-505-9475<br>Phn: 215-337-8182         | <a href="#">View Shopping Cart</a>  |                                            | Fax: 800-505-9476<br>Fax: 215-337-8186    |

Send mail to [vhs\\_pa@msn.com](mailto:vhs_pa@msn.com) with questions or comments about this web site.  
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 Last modified: May 08, 2000

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**DECISION AND ORDER**

The Federal Trade Commission ("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 Commission's Northeast Region 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 and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the 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 thirty (30) days, (and having duly considered the comments received) 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:

1a. Proposed respondent Panda Herbal International, Inc. d/b/a Viable Herbal Solutions ("Panda") is a Pennsylvania corporation with its principal office or place of business at 744 Walnut Avenue, Building 2, Bensalem, Pennsylvania 19020.

Decision and Order

- 1b. Proposed respondent Everett L. Farr III is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the corporation. His business address is 744 Walnut Avenue, Building 2, Bensalem, Pennsylvania 19020.
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. Unless otherwise specified, **“respondents”** shall mean Panda Herbal International, Inc. doing business as Viable Herbal Solutions, a corporation, its successors and assigns and its officers; Everett L. Farr III, individually and as an officer of the corporation; and each of the above’s agents, representatives, and employees.
- B. **“Commerce”** shall mean as defined in Section 4 of the Federal Trade Commission Act,  
15 U.S.C. § 44.
- C. **“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 have 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.
- D. **“Product label”** shall mean any label or other written, printed, or graphic matter upon any product or accompanying any product, including package labels, bottle labels, and package inserts.

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E. **“Clear(ly) and prominent(ly)”** shall mean as follows:

1. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive media such as the Internet, online services and software), the disclosure shall be presented simultaneously in both the audio and visual portions of the advertisement. *Provided, however,* that in any advertisement presented solely through visual or audio means, the disclosure may be made through the same means in which the ad is presented. *Provided, further,* that in any advertisement communicated through interactive media which is presented predominantly through visual or audio means, the disclosure may be made through the same means in which the ad is predominantly presented. The audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The visual disclosure shall be of a size and shade, with a degree of contrast to the background against which it appears, and shall appear on the screen for a duration and in a location, sufficiently noticeable for an ordinary consumer to read and comprehend it.

2. In a print advertisement, promotional material, or instructional manual, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears. In multi-page documents, the disclosure shall appear on the cover or, alternatively, on the first page.

3. On a product label, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it and in print that contrasts with the background against which it appears. *Provided, however,* if a disclosure on a bottle label or package label is made in a location other than the principal display panel, the bottle label or package label shall include the statement, **“See important safety warning(s) on [insert disclosure location],”** as follows: (i) in a type size and location on the principal display panel sufficiently noticeable for

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an ordinary consumer to read and comprehend it; (ii) in print that contrasts with the background against which it appears; and (iii) within a border that is a color or shade that contrasts with the background against which it appears. ***Provided further***, that in a multi-page insert, the disclosure shall appear on the cover page or first page. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement or on any label.

F. In the case of advertisements disseminated by means of an interactive electronic medium, such as software, the Internet, or online services, **"in close proximity"** shall mean on the same Web page, online service page, or other electronic page, and proximate to the triggering representation, and shall not include disclosures accessed or displayed through hyperlinks, pop-ups, interstitials or other means.

G. **"Food," "drug," and "device"** shall mean as "food," "drug," and "device" are defined in Section 15 of the Federal Trade Commission Act, 15 U.S.C. § 55.

H. **"Covered product or service"** shall mean any service, program, dietary supplement, food, drug, or device.

I. **"Herbal Outlook product"** shall mean Panda's Herbal Outlook or any other covered product or service for which the term "Hypericum Perforatum" or "St. John's Wort" appears on the covered product or service label or in any advertising or promotion, and any covered product or service containing "Hypericum Perforatum" or "St. John's Wort."

J. **"HerbVeil 8 product"** shall mean Panda's HerbVeil 8 or any covered product or service for which the term "HerbVeil 8" appears on the product label or in any advertising or promotion, any covered product or service containing "HerbVeil 8," and any covered product or service promoted for the topical treatment of any cancer.

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K. **“Purchaser for resale”** shall mean any purchaser of any of respondents’ Herbal Outlook product or HerbVeil 8 product, who: (a) is a distributor of, or operates a wholesale or retail business that sells, any such product(s); or (b) orders twenty (20) or more units of any such products(s) in any three (3) month period.

L. A requirement that respondents **“notify the Commission,” “file with the Commission”** or **“deliver to the Commission”** shall mean that the respondents shall send the necessary information via first-class mail, costs prepaid, to the Associate Director for Division of Enforcement, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. Attention: In the Matter of Panda Herbal International, Inc.

M. **“Person”** shall mean a natural person, organization or other legal entity, including a partnership, corporation, proprietorship, association, cooperative, or any other group acting together as an entity.

**ORDER****I.**

**IT IS ORDERED** that respondents, directly or through any corporation, subsidiary, division, trade name, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Herbal Outlook product, or any covered product or service in or affecting commerce, shall not make any representation, in any manner, expressly or by implication, that ingestion of such product is effective in the treatment of HIV/AIDS, herpes simplex, tuberculosis, influenza, or hepatitis B infections unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

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**II.**

**IT IS FURTHER ORDERED** that respondents, directly or through any corporation, subsidiary, division, trade name, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any HerbVeil 8 product, or any covered product or service in or affecting commerce, shall not make any representation, in any manner, that application of such product is effective in the treatment of any cancer unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

**III.**

**IT IS FURTHER ORDERED** that respondents, directly or through any corporation, subsidiary, division, trade name, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Herbal Outlook product in or affecting commerce, shall not make any representation, in any manner, expressly or by implication, that ingestion of any Herbal Outlook product has no known contraindications or drug interactions.

**IV.**

**IT IS FURTHER ORDERED** that in any advertisement, promotional material, or product label for any Herbal Outlook product, that contains any representation about the efficacy, performance, or safety of such product, and in any discussion, communicated via electronic mail or any telephone line, that contains any representation about the efficacy, performance, or safety of any Herbal Outlook product, respondents, directly or through any corporation, subsidiary, division, trade name, or other device, shall make clearly and prominently, the following disclosure:

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**WARNING:** St. John's Wort can have potentially dangerous interactions with some prescription drugs. Consult your physician before taking St. John's Wort if you are currently taking anticoagulants, oral contraceptives, antidepressants, anti-seizure medications, drugs to treat HIV or prevent transplant rejection, or any other prescription drug. This product is not recommended for use if you are or could be pregnant unless a qualified health care provider tells you to use it. The product may not be safe for your developing baby.

unless respondents possess competent and reliable scientific evidence that such product produces no adverse drug interactions or side effects.

*Provided, however,* that the **product label** requirements of this Part shall not apply to products that are shipped to consumers or purchasers for resale less than thirty (30) days after the date of service of this order; and, *provided further,* that with regard to products shipped after thirty (30) days of the date of service of this order, respondents may affix the disclosure clearly and prominently by sticker or other device on the labels of products manufactured prior to thirty (30) days after the service of this order.

*Provided further,* that in the event that the Food and Drug Administration issues a final rule requiring a warning on the labeling of products containing St. John's Wort, respondents may substitute that warning for the disclosure required under this Part.

**V.**

**IT IS FURTHER ORDERED** that respondents, directly or through any corporation, subsidiary, division, trade name, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Herbal Outlook product, HerbVeil 8 product, or any covered

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product or service in or affecting commerce, shall not make any representation, in any manner, expressly or by implication:

A. That such covered product or service is effective in the mitigation, treatment, prevention, or cure of any disease or illness; or

B. About the health benefits, performance, safety, or efficacy of any such covered product or service; unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

**VI.**

**IT IS FURTHER ORDERED** that respondents shall:

A. Within seven (7) days after service of this order upon respondents, deliver to the Commission a list, in the form of a sworn affidavit, of all purchasers for resale who purchased on or after January 1, 1999 an Herbal Outlook product, directly from respondents or indirectly through one of respondents' other purchasers for resale. Such list shall include each purchaser for resale's name and address, and, if available, the telephone number and email address of each purchaser for resale.

B. Within seven (7) days after service of this order upon respondents, deliver to the Commission a list, in the form of a sworn affidavit, of all consumers who purchased on or after January 1, 1999 an Herbal Outlook product, directly from respondents or indirectly through one of respondents' purchasers for resale. Such list shall include each consumer's name and address, and, if available, the telephone number and email address of each consumer.

C. Within seven (7) days after service of this order upon respondents, deliver to the Commission a list, in the form of a sworn affidavit, of all purchasers for resale who purchased on or

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after January 1, 1999 an HerbVeil 8 product, directly from respondents or indirectly through one of respondents' other purchasers for resale. Such list shall include each purchaser for resale's name and address, and, if available, the telephone number and email address of each purchaser for resale.

D. Within seven (7) days after service of this order upon respondents, deliver to the Commission a list, in the form of a sworn affidavit, of all consumers who purchased on or after January 1, 1999 an HerbVeil 8 product, directly from respondents or indirectly through one of respondents' other purchasers for resale. Such list shall include each consumer's name and address, and, if available, the telephone number and email address of each consumer and the full purchase price, including shipping, handling, and taxes, of any HerbVeil 8 product purchased from respondent.

E. Within thirty (30) days after service of this order upon respondents, send by first class mail, with postage prepaid, an exact copy of the notice attached hereto as Attachment A, showing the date of mailing, to each purchaser for resale who purchased respondents' Herbal Outlook and/or HerbVeil 8 products between January 1, 1999 and the date of service of this order. This mailing shall not include any other document.

F. Within thirty (30) days after service of this order upon respondents, send by first class mail, with postage prepaid, an exact copy of the notice attached hereto as Attachment B, showing the date of mailing, to each consumer who purchased respondents' Herbal Outlook and/or HerbVeil 8 products between January 1, 1999 and the date of service of this order. This mailing shall not include any other document.

**VII.**

**IT IS FURTHER ORDERED** that respondents shall refund the full purchase price of HerbVeil 8 products purchased from respondents between January 1, 1999 and the date of service of

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this order, including shipping and handling and applicable taxes, to each consumer whose request for a refund is received by Panda within ninety (90) days after the date of mailing shown on Attachment B. To receive a refund the consumer must substantially complete a Refund Request in the form of the Refund Request appended to Attachment B and return it to Panda at the address indicated thereon. The refund shall be paid within fifteen (15) business days of respondents' receipt of the consumer's substantially completed declaration.

**VIII.**

**IT IS FURTHER ORDERED** that respondents shall, no later than one hundred and eighty (180) days after the date of service of this order, deliver to the Commission a report, in the form of a sworn affidavit executed on behalf of respondents. This report shall specify the steps respondents have taken to comply with the terms of Parts VI and VII of this order and shall state, without limitation:

- A. The name and address of each purchaser to whom respondents sent the notice attached hereto as Attachment A as required under Part VI E;
- B. The name and address of each consumer to whom respondents sent the notice attached hereto as Attachment B as required under Part VI F;
- C. The name and address of each consumer from whom respondents received a refund request;
- D. The date on which each request was received and the amount of the refund requested;
- E. The amount of the refund provided by respondents to each such consumer;

## Decision and Order

- F. The status of any disputed refund request and the identification of each consumer whose refund request is disputed, by name, address, and amount of the claim; and
- G. The total amount of refunds paid by respondents.

**IX.**

**IT IS FURTHER ORDERED** that respondents, directly or through any corporation, subsidiary, division, trade name, or other device, shall:

A. Take reasonable steps sufficient to monitor and ensure that all employees and agents engaged in sales, order verification, or other customer service functions comply with Parts I through V of this order. Such steps shall include adequate monitoring of all advertisements, promotions, sales presentations, and other oral and written communication with customers regarding such products. Respondents, at a minimum, shall:

1. Conduct periodic monitoring of representations concerning any Herbal Outlook and HerbVeil 8 products, and any other covered product or service, made by persons engaged in sales or other customer service functions, including representations made orally or through electronic communications;
2. Conduct periodic monitoring of representations made about any Herbal Outlook and HerbVeil 8 products, and any other covered product or service, on all Internet websites operated and maintained by respondents; and
3. Establish a procedure for receiving, maintaining, and responding to consumer complaints.

B. Terminate any employee or agent who knowingly engages in any conduct prohibited by Parts I through V of this order

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once respondents know or should know that such person is or has been engaged in such conduct.

**X.**

**IT IS FURTHER ORDERED** that respondents, directly or through any corporation, subsidiary, division, trade name, or other device, shall:

A. For a period of five (5) years following the entry of this order, send a copy of the notice attached hereto as Attachment A by first class certified mail, return receipt requested, to any purchaser for resale of any Herbal Outlook or HerbVeil 8 product, *provided, however*, that the requirements of this Part X A shall not apply to any purchasers for resale who received a copy of the notice attached hereto as Attachment A pursuant to the requirements of Part VI E of this order.

B. Institute a reasonable program of surveillance adequate to reveal whether any of respondents' purchasers for resale are:

1. Disseminating advertisements or promotional materials that contain any representation about any Herbal Outlook or HerbVeil 8 product or any other covered product or service manufactured by or purchased from any respondent, that is prohibited by Parts I, II, III, and V of this order; or

2. Disseminating advertisements or promotional materials or distributing respondents' Herbal Outlook product without the advertising and labeling disclosure required pursuant to Part IV of this order.

C. Terminate all sales of Herbal Outlook and HerbVeil8 products and any other covered product or service to any purchaser for resale who is engaged in:

1. Disseminating advertisements or promotional materials that contain any representation about any Herbal Outlook or

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HerbVeil 8 product or any other covered product or service manufactured by or purchased from any respondent, that is prohibited by Parts I, II, III, and V of this order; or

2. Disseminating advertisements or promotional materials or distributing respondents' Herbal Outlook product without the advertising and labeling disclosure required pursuant to Part IV of this order; once respondents know or should know that the purchaser for resale is or has been engaged in such conduct.

**XI.**

Nothing in this order shall prohibit respondents from making any representation for any drug that is permitted in labeling for such drug under any tentative final or final standard promulgated by the Food and Drug Administration, or under any drug application approved by the Food and Drug Administration. Nor shall it prohibit respondent from making any representation for any product that is specifically permitted in labeling for such product by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990.

**XII.**

**IT IS FURTHER ORDERED** that respondent Panda, and its successors and assigns, and respondent Everett L. Farr III shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All advertisements and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation; and

Decision and Order

C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

**XIII.**

**IT IS FURTHER ORDERED** that respondent Panda, and its successors and assigns, and respondent Everett L. Farr III, shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondents shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within fifteen (15) days after the person assumes such position or responsibilities.

**XIV.**

**IT IS FURTHER ORDERED** that respondent Panda and its successors and assigns shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. **Provided, however,** that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge.

## Decision and Order

**XV.**

**IT IS FURTHER ORDERED** that respondent Everett L. Farr III, for a period of ten (10) years after the date of issuance of this order, shall notify the Commission of the discontinuance of his current business or employment, or of his affiliation with any new business or employment. The notice shall include respondent's new business address and telephone number and a description of the nature of the business or employment and his duties and responsibilities.

**XVI.**

**IT IS FURTHER ORDERED** that respondent Panda and its successors and assigns, and respondent Everett L. Farr III shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

**XVII.**

This order will terminate twenty (20) years from the date of its issuance, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; **provided, however**, that the filing of such a complaint will not affect the duration of:

A. Any Part of this order that terminates in less than twenty (20) years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

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C. This order if such complaint is filed after the order has terminated pursuant to this Part.

**Provided, further,** that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

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**ATTACHMENT A**

[Insert Date]

Dear [Insert Name]

This letter is to inform you that Panda Herbal International, Inc., also doing business as Viable Herbal Solutions, recently settled a civil dispute with the Federal Trade Commission regarding its advertising for Herbal Outlook and HerbVeil 8 products. Panda has sold these products both directly to consumers and through resellers. Among other things, **the settlement requires us to notify all purchasers of serious drug interactions that may attend use of St. John's Wort products**, and to instruct resellers to stop using advertising or promotional materials that make any of the representations prohibited by the settlement. Importantly, **the settlement requires us to monitor our resellers and terminate all sales to any reseller who disseminates advertising or promotional materials that expressly or by implication make any claims about our Herbal Outlook or HerbVeil 8 products that we may not make pursuant to the order.**

The FTC complaint alleges that Panda engaged in deceptive advertising of its Herbal Outlook and HerbVeil 8 products, and the FTC order imposes various requirements on Panda in connection with its past and future advertising of these and other products.

- ***Herbal Outlook.***

According to the FTC complaint, our advertising materials (which are used by many of our resellers) claimed, expressly or by implication, that ingestion of Herbal Outlook, a dietary supplement that includes, among other ingredients, St. John's Wort, is effective in the treatment of HIV/AIDS, herpes simplex, tuberculosis, influenza, and hepatitis B infections and has no known contraindications or drug interactions. The complaint challenges these claims. In particular, the FTC notes

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that ingestion of St. John's Wort may reduce the effectiveness of some prescription drugs, including, for example, drugs used in the treatment of HIV/AIDS.

The FTC order prohibits us from making any of the challenged claims unless we have competent and reliable scientific evidence to support them. In addition, it requires us to make a specified safety disclosure in any advertisement of any product such as Herbal Outlook that contains St. John's Wort unless we have competent and reliable scientific evidence that the product has no adverse drug interactions or side effects. This disclosure must state the following clearly and prominently:

**WARNING:** St. John's Wort can have potentially dangerous interactions with some prescription drugs. Consult your physician before taking St. John's Wort if you are currently taking anticoagulants, oral contraceptives, anti-depressants, anti-seizure medications, drugs to treat HIV or prevent transplant rejection, or any other prescription drug. This product is not recommended for use if you are or could be pregnant unless a qualified health care provider tells you to use it. The product may not be safe for your developing baby.

- **HerbVeil 8.**

The FTC complaint also alleges that our advertising expressly or implicitly claimed that HerbVeil 8 is effective in the treatment of carcinomas, adenocarcinomas, and melanomas, and that we did not have competent and reliable scientific evidence for those claims.

The FTC order prohibits our making those claims unless we have competent and reliable scientific evidence to support them.

- **All Foods, Drugs, Dietary Supplements, Devices, Programs, or Services.**

In addition, the FTC order provides that, in connection with the advertising of any covered product or service, which the order

## Decision and Order

defines as any food, drug, dietary supplement, device, program, or service, we must not claim that such covered product or service is effective in the mitigation, treatment, prevention, or cure of any disease or illness or make any claim about the health benefits, performance, safety, or efficacy of any such covered product or service unless we have competent and reliable scientific evidence to support such claims.

In addition, the FTC order requires us, among other things, to provide the FTC with purchaser information and to monitor and terminate all sales to resellers making prohibited claims for our Herbal Outlook and HerbVeil 8 products, whether expressly or by implication.

If you have any questions, please contact [Insert Name and Telephone Number of Attorney or Officer of Panda]. Thank you for your anticipated cooperation and assistance.

Sincerely,

Everett L. Farr III, President  
Panda Herbal International, Inc.

copy: Associate Director, Division of Enforcement  
Bureau of Consumer Protection  
Federal Trade Commission  
Washington, D.C. 20580

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**ATTACHMENT B**

[Insert Date]

Dear [Insert Name]

This letter is to inform you that Panda Herbal International, Inc., also doing business as Viable Herbal Solutions, recently settled a civil dispute with the Federal Trade Commission regarding its advertising for Herbal Outlook and HerbVeil 8 products. Panda has sold these products both directly to consumers and through resellers. Among other things, **the settlement requires us to offer refunds to purchasers of HerbVeil 8 products and to notify purchasers of St. John's Wort products of serious drug interactions that may result from use of those products. Refund instructions are contained in the last page of this letter.**

According to the FTC complaint, our advertising materials (which are used by many of our resellers) claimed, expressly or by implication, that ingestion of Herbal Outlook, a product that contains, among other ingredients, St. John's Wort, is effective in the treatment of HIV/AIDS, herpes simplex, tuberculosis, influenza, and hepatitis B infections and has no known contraindications or drug interactions. The complaint challenges these claims. In particular, the FTC notes that ingestion of St. John's Wort may reduce the effectiveness of some prescription drugs, including, for example, drugs used in the treatment of HIV/AIDS.

The FTC order prohibits us from making any of the challenged claims unless we have competent and reliable scientific evidence to support them. In addition, it requires us to make the following safety disclosure in any advertisement of any product such as Herbal Outlook that contains St. John's Wort product:

**WARNING:** St. John's Wort can have potentially dangerous interactions with some prescription drugs.

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Consult your physician before taking St. John's Wort if you are currently taking anticoagulants, oral contraceptives, anti-depressants, anti-seizure medications, drugs to treat HIV or prevent transplant rejection, or any other prescription drug. This product is not recommended for use if you are or could be pregnant unless a qualified health care provider tells you to use it. The product may not be safe for your developing baby.

The FTC complaint also alleges that our advertising expressly or implicitly claimed that HerbVeil 8 is effective in the treatment of carcinomas, adenocarcinomas, and melanomas, and that we did not have competent and reliable scientific evidence for those claims.

Sincerely,

Everett L. Farr III, President  
Panda Herbal International, Inc.

Decision and Order

**HERBVEIL 8 PRODUCTS  
REFUND CONDITIONS AND PROCEDURES**

Panda Herbal International, Inc. ("Panda"), also doing business as Viable Herbal Solutions, will refund the full purchase price of HerbVeil 8 products purchased from Panda between January 1, 1999 and [insert effective date of order], including shipping and handling and applicable taxes, to each consumer whose request for a refund is received by Panda within ninety (90) days after the date of this letter. To receive your refund you must complete the attached Refund Request and return it to Panda at [insert address].

-----

**REFUND REQUEST**

The undersigned hereby requests a refund for the purchase of HerbVeil 8 products.

Full Name (Please Print):

\_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Product(s) Purchased:

\_\_\_\_\_

Purchase Price, including shipping, handling, and taxes:

\_\_\_\_\_

**It is not necessary to include proof of purchase, such as credit card statements, canceled checks, or receipts, but doing so**

## Decision and Order

**may expedite your refund request in the event of a dispute concerning the amount of your refund.**

Signature of Purchaser:

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Date: 

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Analysis

**Analysis of Proposed Consent Order to Aid Public Comment**

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed consent order from Panda Herbal International, Inc. (“Panda”), a corporation, and Everett L. Farr III, individually and as an officer of the corporation (“proposed respondents”).

The proposed consent order has been placed on the public record for thirty (30) days for the receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and comments received and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement’s proposed order.

This matter involves proposed respondents’ making of health-related advertising claims on the Internet and elsewhere for their Herbal Outlook (a dietary supplement that contains St. John’s Wort) and HerbVeil 8 (a topical ointment) products. The proposed complaint alleges that proposed respondents violated Sections 5 and 12 of the Federal Trade Commission Act by making deceptive claims for these products.

The proposed complaint alleges that respondents’ claims that ingestion of Herbal Outlook is effective in the treatment of HIV/AIDS, herpes simplex, tuberculosis, influenza, and hepatitis B infections are unsubstantiated. Further, the proposed complaint alleges that respondents deceptively fail to disclose significant adverse drug interactions in light of respondents’ implied drug compatibility claim (“ingestion of St. John’s Wort, an ingredient in Herbal Outlook, is effective in the treatment of HIV/AIDS”). The proposed complaint also alleges that respondents’ claim that ingestion of St. John’s Wort, an ingredient in Herbal Outlook, has no known contraindications or drug interactions is false because there is substantial information available documenting significant adverse drug interactions. In addition, the proposed complaint alleges that respondents’ HerbVeil 8 claims that topical

## Analysis

application of HerbVeil 8 is effective in the treatment of carcinomas, adenocarcinomas, and melanomas are unsubstantiated.

For purposes of the proposed order, a “covered product or service” means any service, program, dietary supplement, food, drug, or device.

The proposed order defines “Herbal Outlook product” as respondents’ Herbal Outlook or any other covered product or service for which the term “Hypericum Perforatum” or “St. John’s Wort” appears on the covered product or service label or in any advertising or promotion, and any covered product or service containing “Hypericum Perforatum” or “St. John’s Wort.” Part I of the proposed consent order prohibits proposed respondents from representing that ingestion of any Herbal Outlook product or any covered product or service is effective in the treatment of HIV/AIDS, herpes simplex, tuberculosis, influenza, or hepatitis B infections, unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

The proposed order defines “HerbVeil 8 product” as respondents’ HerbVeil 8 or any covered product or service for which the term “HerbVeil 8” appears on the product label or in any advertising or promotion, any covered product or service containing “HerbVeil 8,” and any covered product or service promoted for the topical treatment of any cancer. Part II of the proposed consent order prohibits proposed respondents from representing that application of any HerbVeil 8 product, or any covered product or service, is effective in the treatment of any cancer unless, at the time the representation is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation. Part III of the proposed consent order prohibits proposed respondents from representing that ingestion of any Herbal Outlook product has no known contraindications or drug interactions.

Analysis

Part IV provides that in any advertisement, promotional material, or product label for any Herbal Outlook product, that contains any representation about the efficacy, performance, or safety of such product, and in any discussion, communicated via electronic mail or any telephone line, that contains any representation about the efficacy, performance, or safety of any Herbal Outlook product, proposed respondents shall make clearly and prominently, the following disclosure:

**WARNING:** St. John's Wort can have potentially dangerous interactions with some prescription drugs. Consult your physician before taking St. John's Wort if you are currently taking anticoagulants, oral contraceptives, antidepressants, anti-seizure medications, drugs to treat HIV or prevent transplant rejection, or any other prescription drug. This product is not recommended for use if you are or could be pregnant unless a qualified health care provider tells you to use it. The product may not be safe for your developing baby.

unless respondents possess competent and reliable scientific evidence that such product produces no adverse drug interactions or side effects. This disclosure was developed after discussions with the Food and Drug Administration. FDA has announced that it intends to initiate a rulemaking for dietary supplements for women who are or who may become pregnant. In the event that FDA issues a final rule requiring a warning for pregnant women on dietary supplements, respondents may substitute that warning for the disclosure on that topic required under the proposed order. Part IV specifies that the product label requirements of this Part shall not apply to products that are shipped to consumers or purchasers for resale less than thirty (30) days after the date of service of this order, and that with regard to products shipped after thirty (30) days of the date of service of this order, respondents may affix the disclosure clearly and prominently by sticker or other device on the labels of products manufactured prior to thirty (30) days after the service of this order.

## Analysis

Part V provides that proposed respondents, in connection with the advertising or sale of any Herbal Outlook product, HerbVeil 8 product, or any covered product or service, shall not make any representation that such product or service is effective in the mitigation, treatment, prevention, or cure of any disease or illness, or about the health benefits, performance, safety, or efficacy of any such product or service, unless, at the time the representation is made, proposed respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

The proposed order defines “purchaser for resale” as any purchaser of any of proposed respondents’ Herbal Outlook product or HerbVeil 8 product, who: (a) is a distributor of, or operates a wholesale or retail business that sells, any such product(s); or (b) orders twenty (20) or more units of any such products(s) in any three (3) month period. Parts VI A and VI B of the proposed consent order require proposed respondents to deliver to the Commission lists containing information regarding purchasers for resale and consumers of Herbal Outlook, respectively. Parts VI C and VI D require proposed respondents to deliver to the Commission lists containing information regarding purchasers for resale and consumers of HerbVeil 8, respectively. Parts VI E and VI F require proposed respondents to send a notice to all purchasers of Herbal Outlook and HerbVeil 8 informing them of the Commission’s complaint allegations and the terms of the settlement. Part VII of the proposed order requires proposed respondents to provide refunds upon request to consumer purchasers of HerbVeil 8. Part VIII requires proposed respondents to submit a report specifying the steps it has taken to comply with Part VI (notice provisions) and Part VII (refund provision).

Part IX requires proposed respondents to take reasonable steps to monitor and ensure that all employees and agents engaged in sales, order verification, and other customer service functions comply with Parts I through V of the order and requires proposed respondents to terminate any employee who knowingly engages in conduct that violates these parts of the order. Part X A requires

Analysis

proposed respondents to send each purchaser for resale for a period of five years following entry of the order, the notice provisions required by Part VI E (to the extent such purchasers for resale have not already received such notice pursuant to Part VI E). Part X B requires proposed respondents to institute a purchaser for resale order compliance surveillance program and Part X C states that proposed respondents must terminate sales to those purchasers for resale they know or should know are violating Parts I through V of the proposed order. Part XI would allow proposed respondents to make any representation for any drug that is permitted by the FDA in the drug's labeling, and would allow proposed respondents to make any representation that is specifically permitted in the labeling for any product by regulations promulgated by the FDA pursuant to the Nutrition Labeling and Education Act of 1990.

Part XII of the proposed order contains record keeping requirements for materials that substantiate, qualify, or contradict claims covered by the proposed order. Part XIII of the proposed order requires distribution of a copy of the order to current and future officers, employees, and agents. Part XIV provides for Commission notification upon a change in the proposed corporate respondent and Part XV requires Commission notification when the proposed individual respondent changes his business or employment. Part XVI requires the proposed respondents to file with the Commission a report demonstrating compliance with the terms and provisions of the order. Part XVII provides for the termination of the order after twenty (20) years under certain circumstances.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and the proposed order or to modify in any way their terms.

Complaint

## IN THE MATTER OF

**ROBERT C. SPENCER AND LISA M. SPENCER**CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF  
SEC. 5 AND SEC. 12 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-4019; File No. 0023312*  
*Complaint, July 30, 2001--Decision, July 30, 2001*

This consent order addresses representations made by Respondents Robert C. Spencer and Lisa M. Spencer, doing business as Aaron Company, about "Colloidal Silver" – a dietary supplement allegedly containing submicroscopic particles of silver that was intended to be taken orally for the cure and treatment of more than 650 diseases – Chitosan with vitamin C, and Ultimate Energizer. The order, among other things, prohibits the respondents from misrepresenting, including by means of metatags, any claims that Colloidal Silver or any service, program, dietary supplement, food, drug, or device, has been medically proven to kill disease-causing organisms or any number of infections in the body. The order also requires the respondents to possess competent and reliable scientific evidence to substantiate representations that Colloidal Silver or any covered product (1) treats and cures cancer, multiple sclerosis, HIV/AIDS, and other specific illnesses; (2) is superior to antibiotics in healing and curing infections; (3) is safe for human consumption and has no side effects; (4) treats various medical and health problems in animals; and (5) enables consumers to lose substantial weight without the need for a restricted diet. In addition, the order prohibits the respondents from misrepresenting, including by means of metatags, the existence, contents or interpretation of any test, study, or research. The order also requires the respondents to include affirmative warnings concerning safety issues in any future advertisements for products containing ephedra or ephedrine.

*Participants*

For the Commission: *James T. Rohrer, Cindy A. Liebes, Andrea L. Foster, Janis K. Pappalardo, Gerard R. Butters and Paul A. Pautler.*

For the Respondents: *Robert C. Spencer and Lisa M. Spencer, pro se.*