

Complaint

IN THE MATTER OF

**EASYBUTTER, LLC.
AND
MICHAEL SOLOMON**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF SECTIONS 5 AND 12 OF THE
FEDERAL TRADE COMMISSION ACT*Docket No. C-4734; File No. 202 3047**Complaint, February 1, 2021 – Decision, February 1, 2021*

This consent order addresses EasyButter, LLC’s advertising of products containing cannabidiol. The complaint alleges that Respondents violated Sections 5(a) and 12 of the Federal Trade Commission Act by disseminating false and unsubstantiated advertisements claiming that: (1) their CBD Products prevent diabetes and treat acne, AIDS, autism, bipolar disorder, cancer, depression, epilepsy, PTSD, seizures, and substance abuse; (2) tests or studies prove that their CBD products treat autism; and (3) doctors recommend CBD over prescription medications for depression and PTSD. The consent order prohibits Respondents from making any representation about the efficacy of any covered product, including that such product will: (1) alleviate or cure seizures; or (2) cure, mitigate, or treat any disease, including but not limited to acne, AIDS, autism, bipolar disorder, cancer, depression, diabetes, epilepsy, post-traumatic stress disorder, and substance abuse, unless the representation is non-misleading, including that, at the time such representation is made, he possesses and relies upon competent and reliable scientific evidence that substantiates that the representation is true.

Participants

For the *Commission*: Gideon Sinasohn.

For the *Respondents*: Jessica Shraybman, Shraybman Law, PLLC.

COMPLAINT

The Federal Trade Commission, having reason to believe that EasyButter, LLC., a limited liability company, and Michael Solomon, individually and as officer and owner of EasyButter, LLC (collectively, “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:

1. Respondent EASYBUTTER, LLC (“EasyButter”) is a Florida limited liability company with its principal place of business at 1289 Clint Moore Rd, Boca Raton, FL 33487.

2. Respondent MICHAEL SOLOMON (“Solomon”) is an owner and President of EasyButter and is the owner. Individually or in concert with others, Michael Solomon controlled or had the authority to control, or participated in the acts and practices of EasyButter, including the acts and practices set forth in this Complaint. His principal office or place of business is the same as that of EasyButter.

Complaint

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.

Respondents’ Marketing of CBD Products

4. Cannabidiol (“CBD”) is a substance naturally occurring in, and that can be extracted from, the hemp plant, *cannabis sativa*. Respondents have advertised, promoted, offered for sale, sold, and distributed products containing CBD (“CBD Products”) that are intended for human use. These CBD Products are “food” and/or “drugs,” within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

5. Consumers can purchase Respondents’ CBD products by calling (833) 743-6763 or by ordering online at www.hempmeCBD.com.

6. Respondents’ CBD products are offered for human and animal consumption and topical application in a variety of products, including oils, creams, hemp shea butter, bath bombs, lip balms, gummies, hemp tabs, honey sticks, lozenges, and assorted pet products.

7. These products are sold to consumers under the names: “Hempme Hemp Shea Butter;” “Hempme Facial Moisturizer;” “Hempme Hemp Repair RX Pain;” “Hempme CBD Gummy Bears;” “Hempme Hemp Gummies;” “Hempme CBD Tablets;” “Hempme CBD Organic Gummy;” “Hempme CBD Sugarfree Gummy;” “Hempme Gummy Worms;” “Hempme Energy Lemon Haze Terpene Hemp Lozenges;” “Hempme Relax Grape/Grand Daddy Purp Terpene Hemp Lozenges;” “Hempme CBD Honey Sticks;” “Hempme Hemp Oil;” “Hempme Roll On Menthol Temple Massage;” “Hempme CBD Massage Oil;” “Hempme Cinnamon Hemp Oil;” “Hempme Blueberry Hemp Oil;” “Hempme Peppermint Hemp Oil;” “Hempme Peach Hemp Oil;” “Hempme Strawberry Hemp Oil;” “Hempme Citrus Skin Care Pump;” “Hempme Pre-Rolled Tube (Strawberry);” “Hempme Pre-Rolled Tube (Pineapple);” “Hempme Pre-Rolled Tube (Kush);” “Hempme Strawberry CBD Oil Cartridge;” “Hempme Blueberry CBD Oil Cartridge;” “CBD Disposable Vapor Pen (Relax);” “CBD Disposable Vapor Pen (Energy);” “Hempme Bubble Gum CBD Oil Cartridge;” “Hempme Watermelon CBD Oil Cartridge;” “Hempme Fruit Punch CBD Oil Cartridge;” and “Hempme Pineapple CBD Oil Cartridge.”

8. Respondents represent, directly or indirectly, expressly or by implication through their websites and in product labels depicted on their websites that Respondents’ CBD products prevent diabetes or treat or cure a variety of ailments, including AIDS, acne, autism, bipolar disease, cancer, depression, epilepsy, post-traumatic stress disorder (PTSD), and seizures.

9. Respondents charge consumers \$12.95 to \$305.95 for Respondents’ CBD products, plus shipping and handling.

Respondents’ Advertising and Marketing

10. Since at least January 2018, to induce consumers to purchase their products, Respondents have disseminated or caused to be disseminated advertisements and promotional

Complaint

materials. Respondents have promoted CBD products through the website www.hempmeCBD.com and social media. These advertisements and promotional materials have contained the following representations or statements, among others:

- a. From Respondents' website, www.HempMeCBD.com, captured on January 6, 2020:

- i. **"A Real Life-Saver"**

Doctors have just recently been able to truly study [CBD's] effects on the human bod (sic), and its ability to alleviate the symptoms of conditions ranging from AIDS to seizures is showing incredible results. CBD's anti-psychotic properties can help with people's mental health issues. People suffering from PTSD, Anxiety & Depression have seen major improvements from consistent doses of the compound, and Doctors around the world are beginning to recommend CBD over prescription medications."

- ii. "Also, in a recent study, Israeli research has shown an 80% success rate in reducing problematic behavior in children with Autism using CBD."
- iii. "It is theorized that the reason CBD has such a positive effect could be because of its impact on cannabinoid receptors inside the brain of someone with Autism. CBD appears to 'open' these receptors' pathways to allow molecules to act on them. These pathways were previously closed off by the condition."
- iv. "Depression is an emotional cause of sleeping challenges. Also, lack of enough sleep can cause depression. Sleep deprivation also makes one agitated, tense and irritable and the effects can be overwhelming. Since depression is rooted in the nervous system, it's often caused by chemical imbalance. According to Dr. Charles Raison, CNN's mental health expert, CBD oil can restore the chemical imbalance and help in dealing with depression, leading to improved sleep."
- v. "Some of the top health benefits of CBD oil has been known to cure are seizures, anxiety, depression, and cancer-related symptoms. It has even been proven to aid in substance abuse treatment and diabetes prevention."
- vi. "Also it has a profound effect on helping people dealing with: Acne, Stomach illness, Even cancer symptoms."

Complaint

- vii. “CBD has a profound effect on helping people dealing with . . . cancer symptoms”
- viii. “CBD is commonly known to alleviate ailments related to mental diseases such as: Epilepsy Depression Bipolar.”

Count I**False or Unsubstantiated Efficacy Claims**

11. In connection with the advertising, marketing, promotion, offering for sale, or sale of CBD products, including through the means described in Paragraph 10, Respondents have represented, directly or indirectly, expressly or by implication, that their CBD products prevent diabetes and treat acne, AIDS, autism, bipolar disorder, cancer, depression, epilepsy, PTSD, seizures, and substance abuse.

12. The representations set forth in Paragraph 11 are false or misleading or were not substantiated at the time the representations were made.

Count II**False Establishment Claims**

13. In connection with the advertising, marketing, promotion, offering for sale, or sale of CBD products, including through the means described in Paragraph 10, Respondents have represented, directly or indirectly, expressly or by implication, that:

- a. tests or studies prove that their CBD products treat autism; and
- b. doctors recommend CBD over prescription medications for depression and PTSD.

14. In fact, tests or studies do not prove that CBD treats autism, and doctors do not recommend CBD over prescription medications for depression and PTSD. Therefore, the making of the representations set forth in Paragraph 13 are false or misleading.

Violations of Sections 5 and 12

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 first day of February, 2021, has issued this Complaint against Respondents.

By the Commission.

Decision and Order

DECISION

The Federal Trade Commission (“Commission”) initiated an investigation of certain acts and practices of the Respondents named in the caption. The Commission’s Bureau of Consumer Protection (“BCP”) prepared and furnished to Respondents a draft Complaint. BCP proposed to present the draft Complaint to the Commission for its consideration. If issued by the Commission, the draft Complaint would charge the Respondents with violations of the Federal Trade Commission Act.

Respondents and BCP thereafter executed an Agreement Containing Consent Order (“Consent Agreement”). The Consent Agreement includes: 1) statements by Respondents that they neither admit nor deny any of the allegations in the Complaint, except as specifically stated in this Decision and Order, and that only for purposes of this action, they admit the facts necessary to establish jurisdiction; and 2) waivers and other provisions as required by the Commission’s Rules.

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the Federal Trade Commission Act, and that a Complaint should issue stating its charges in that respect. The Commission accepted the executed Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered any comments received from interested persons pursuant to Section 2.34 of its Rules, 16 C.F.R. § 2.34. Now, in further conformity with the procedure prescribed in Rule 2.34, the Commission issues its Complaint, makes the following Findings, and issues the following Order:

Findings

1. The Respondents are:
 - a. EasyButter, LLC, is a Florida Limited Liability Company with its principal place of business at 1289 Clint Moore Rd, Boca Raton, FL 33487.
 - b. Michael Solomon is an owner and President of EasyButter, LLC. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of EasyButter, LLC. His principal office or place of business is the same as that of EasyButter, LLC.
2. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondents, and the proceeding is in the public interest.

Decision and Order

ORDER**DEFINITIONS**

For purposes of this Order, the following definitions apply:

- A. “CBD Product” means any Dietary Supplement, Food, or Drug containing cannabidiol.
- B. “Covered Product” or “Covered Products” means any Dietary Supplement, Food, or Drug, including but not limited to CBD Products sold or marketed by Respondents.
- C. “Dietary Supplement” means: (1) any product labeled as a dietary supplement or otherwise represented as a dietary supplement; or (2) any pill, tablet, capsule, powder, softgel, gelcap, liquid, or other similar form containing one or more ingredients that are a vitamin, mineral, herb or other botanical, amino acid, probiotic, or other dietary substance for use by humans to supplement the diet by increasing the total dietary intake, or a concentrate, metabolite, constituent, extract, or combination of any ingredient described above, that is intended to be ingested, and is not represented to be used as a conventional food or as a sole item of a meal or the diet.
- D. “Drug” means: (1) articles recognized in the official United States Pharmacopoeia, official Homoeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; (2) articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals; (3) articles (other than food) intended to affect the structure or any function of the body of humans or other animals; and (4) articles intended for use as a component of any article specified in (1), (2), or (3); but does not include devices or their components, parts, or accessories.
- E. “Essentially Equivalent Product” means a product that contains the identical ingredients, except for inactive ingredients (e.g., inactive binders, colors, fillers, excipients) in the same form and dosage, and with the same route of administration (e.g., orally, sublingually), as the Covered Product; *provided that* the Covered Product may contain additional ingredients if reliable scientific evidence generally accepted by experts in the field indicates that the amount and combination of additional ingredients is unlikely to impede or inhibit the effectiveness of the ingredients in the Essentially Equivalent Product.
- F. “Food” means: (1) any article used for food or drink for humans or other animals; (2) chewing gum; and (3) any article used for components of any such article.
- G. “Respondents” means the Corporate Respondent and the Individual Respondent, individually, collectively, or in any combination.

Decision and Order

1. “Corporate Respondent” means EasyButter, LLC, a limited liability company, and its successors and assigns.
2. “Individual Respondent” means Michael Solomon.

PROVISIONS**I. PROHIBITED REPRESENTATIONS: REGARDING HEALTH-RELATED CLAIMS REQUIRING HUMAN CLINICAL TESTING FOR SUBSTANTIATION**

IT IS ORDERED that Respondents, Respondents’ officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product, must not make, or assist others in making, expressly or by implication, any representation that such product:

- A. alleviates or cures seizures; or
- B. cures, mitigates, or treats any disease, including but not limited to acne, AIDS, autism, bipolar disorder, cancer, depression, diabetes, epilepsy, post-traumatic stress disorder, and substance abuse,

unless the representation is non-misleading, and, at the time of making such representation, they possess and rely upon competent and reliable scientific evidence substantiating that the representation is true. For purposes of this Provision, competent and reliable scientific evidence must consist of human clinical testing of the Covered Product, or of an Essentially Equivalent Product, that is sufficient in quality and quantity based on standards generally accepted by experts in the relevant disease, condition, or function to which the representation relates, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true. Such testing must be: (1) randomized, double-blind, and placebo-controlled; and (2) conducted by researchers qualified by training and experience to conduct such testing. In addition, all underlying or supporting data and documents generally accepted by experts in the field as relevant to an assessment of such testing as described in the Provision entitled Preservation of Records Relating to Competent and Reliable Human Clinical Tests or Studies must be available for inspection and production to the Commission. Persons covered by this Section have the burden of proving that a product satisfies the definition of Essentially Equivalent Product.

II. PROHIBITED REPRESENTATIONS: OTHER HEALTH-RELATED CLAIMS

IT IS FURTHER ORDERED that Respondents, Respondents’ officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product must not make, or assist others in making, expressly or by implication, any

Decision and Order

representation, other than representations covered under the Provision of this Order entitled Prohibited Representations: Regarding Health-Related Claims Requiring Human Clinical Testing For Substantiation, about the health benefits, performance, efficacy, safety, or side effects of any Covered Product for humans or animals, including that such product prevents diabetes, unless the representation is non-misleading, and, at the time of making such representation, they possess and rely upon competent and reliable scientific evidence that is sufficient in quality and quantity based on standards generally accepted by experts in the relevant disease, condition, or function to which the representation relates, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true.

For purposes of this Provision, competent and reliable scientific evidence means tests, analyses, research, or studies (1) that have been conducted and evaluated in an objective manner by experts in the relevant disease, condition, or function to which the representation relates; (2) that are generally accepted by such experts to yield accurate and reliable results; and (3) that are randomized, double-blind, and placebo-controlled human clinical testing of the Covered Product, or of an Essentially Equivalent Product, when such experts would generally require such human clinical testing to substantiate that the representation is true. In addition, when such tests or studies are human clinical tests or studies, all underlying or supporting data and documents generally accepted by experts in the field as relevant to an assessment of such testing as set forth in the Provision entitled Preservation of Records Relating to Competent and Reliable Human Clinical Tests or Studies must be available for inspection and production to the Commission. Persons covered by this Provision have the burden of proving that a product satisfies the definition of Essentially Equivalent Product.

III. PRESERVATION OF RECORDS RELATING TO COMPETENT AND RELIABLE HUMAN CLINICAL TESTS OR STUDIES

IT IS FURTHER ORDERED that, with regard to any human clinical test or study (“test”) upon which Respondents rely to substantiate any claim covered by this Order, Respondents must secure and preserve all underlying or supporting data and documents generally accepted by experts in the field as relevant to an assessment of the test, including:

- A. All protocols and protocol amendments, reports, articles, write-ups, or other accounts of the results of the test, and drafts of such documents reviewed by the test sponsor or any other person not employed by the research entity;
- B. All documents referring or relating to recruitment; randomization; instructions, including oral instructions, to participants; and participant compliance;
- C. Documents sufficient to identify all test participants, including any participants who did not complete the test, and all communications with any participants relating to the test; all raw data collected from participants enrolled in the test, including any participants who did not complete the test; source documents for such data; any data dictionaries; and any case report forms;

Decision and Order

- D. All documents referring or relating to any statistical analysis of any test data, including any pretest analysis, intent-to-treat analysis, or between-group analysis performed on any test data; and
- E. All documents referring or relating to the sponsorship of the test, including all communications and contracts between any sponsor and the test's researchers.

Provided, however, the preceding preservation requirement does not apply to a reliably reported test, unless the test was conducted, controlled, or sponsored, in whole or in part by: (1) any Respondent; (2) any Respondent's officers, agents, representatives, or employees; (3) any other person or entity in active concert or participation with any Respondent; (4) any person or entity affiliated with or acting on behalf of any Respondent; (5) any supplier of any ingredient contained in the product at issue to any of the foregoing or to the product's manufacturer; or (6) the supplier or manufacturer of such product.

For purposes of this Provision, "reliably reported test" means a report of the test has been published in a peer-reviewed journal, and such published report provides sufficient information about the test for experts in the relevant field to assess the reliability of the results.

For any test conducted, controlled, or sponsored, in whole or in part, by Respondents, Respondents must establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of any personal information collected from or about participants. These procedures must be documented in writing and must contain administrative, technical, and physical safeguards appropriate to Corporate Respondents' size and complexity, the nature and scope of Respondents' activities, and the sensitivity of the personal information collected from or about the participants.

IV. PROHIBITED MISREPRESENTATIONS REGARDING TESTS, STUDIES, OR OTHER RESEARCH

IT IS FURTHER ORDERED that Respondents, Respondents' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any product must not misrepresent, in any manner, expressly or by implication that:

- A. Any Covered Product is clinically proven to treat autism;
- B. Doctors recommend any Covered Product over prescription medications for depression, and PTSD;
- C. The performance or benefits of any product are scientifically or clinically proven or otherwise established; or
- D. The existence, contents, validity, results, conclusions, or interpretations of any test, study, or other research.

Decision and Order

V. FDA-APPROVED CLAIMS

IT IS FURTHER ORDERED that nothing in this Order prohibits Respondents, Respondents' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them from:

- A. For any Drug, making a representation that is approved in labeling for such Drug under any tentative final or final monograph promulgated by the Food and Drug Administration, or under any new drug application approved by the Food and Drug Administration; and
- B. For any product, making a representation that is specifically authorized for use in labeling for such product by regulations promulgated by the Food and Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990 or permitted under Sections 303-304 of the Food and Drug Administration Modernization Act of 1997.

VI. MONETARY RELIEF

IT IS FURTHER ORDERED that:

- A. Respondents must pay to the Commission \$36,254.37, which Respondents stipulate their undersigned counsel holds in escrow for no purpose other than payment to the Commission.
- B. Such payment must be made within 8 days of the effective date of this Order by electronic fund transfer in accordance with instructions provided by a representative of the Commission.

VII. ADDITIONAL MONETARY PROVISIONS

IT IS FURTHER ORDERED that:

- A. Respondents relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to this Order and may not seek the return of any assets.
- B. The facts alleged in the Complaint will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the Commission to enforce its rights to any payment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.
- C. The facts alleged in the Complaint establish all elements necessary to sustain an action by or on behalf of the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral estoppel effect for such purposes.

Decision and Order

- D. All money paid to the Commission pursuant to this Order may be deposited into a fund administered by the Commission or its designee to be used for relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the Commission decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the Commission may apply any remaining money for such other relief (including consumer information remedies) as it determines to be reasonably related to Respondents' practices alleged in the Complaint. Any money not used is to be deposited to the U.S. Treasury. Respondents have no right to challenge any activities pursuant to this Provision.
- E. In the event of default on any obligation to make payment under this Order, interest, computed as if pursuant to 28 U.S.C. § 1961(a), shall accrue from the date of default to the date of payment. In the event such default continues for 10 days beyond the date that payment is due, the entire amount will immediately become due and payable.
- F. Each day of nonpayment is a violation through continuing failure to obey or neglect to obey a final order of the Commission and thus will be deemed a separate offense and violation for which a civil penalty shall accrue.
- G. Respondents acknowledge that their Taxpayer Identification Numbers (Social Security or Employer Identification Numbers), which Respondents have previously submitted to the Commission, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

VIII. NOTICES TO CUSTOMERS

IT IS FURTHER ORDERED that Respondents must notify customers as follows:

- A. Respondents must identify all consumers who purchased CBD Products on or after January 1, 2018 and through September 1, 2020 ("eligible customers").
 - 1. Such eligible customers, and their contact information, must be identified to the extent such information is in Respondents' possession, custody or control, including from third parties such as resellers;
 - 2. Eligible customers include those identified at any time, including after Respondents' execution of the Agreement through the eligibility period, which runs for 1 year after the issuance date of the Order.
- B. Respondents must notify all identified eligible customers by mailing each a notice:
 - 1. The letter must be in the form shown in Attachment A.

Decision and Order

2. The envelope containing the letter must be in the form shown in Attachment B.
 3. The mailing of the notification letter must not include any other enclosures.
 4. The mailing must be sent by first-class mail, postage prepaid, address correction service requested with forwarding and return postage guaranteed. For any mailings returned as undeliverable, Respondents must use standard address search methodologies such as re-checking Respondents' records and the Postal Service's National Change of Address database and re-mailing to the corrected address within 8 days.
- C. Respondents must notify all eligible customers within 180 days after the issuance date of this Order and any eligible customers identified thereafter within 30 days of their identification.
- D. Respondents must provide a notice on all of their social media accounts (including any Facebook, Twitter, Instagram, or YouTube accounts) and on the first page of their websites. Such notice must link to a copy of the Order, along with a toll-free telephone number and an email address for the redress administrator. The notice must be posted not later than 3 days after the effective date of the Order and for at least 1 year after the redress period ends.
- E. Respondents must report on their notification program under penalty of perjury:
1. Respondents must submit a report annually and at the conclusion of the program summarizing its compliance to date, including the total number of eligible customers identified and notified.
 2. If a representative of the Commission requests any information regarding the program, including any of the underlying customer data, Respondents must submit it within 10 days of the request.
 3. Failure to provide required notices or any requested information will be treated as a continuing failure to obey this Order.

IX. ACKNOWLEDGMENTS OF THE ORDER

IT IS FURTHER ORDERED that Respondents obtain acknowledgments of receipt of this Order:

- A. Each Respondent, within 10 days after the effective date of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

Decision and Order

- B. For 20 years after the issuance date of this Order, each Individual Respondent for any business that such Respondent, individually or collectively with any other Respondents, is the majority owner or controls directly or indirectly, and each Corporate Respondent, must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees having managerial responsibilities for labeling, manufacturing, advertising, marketing, promotion, distribution, offering for sale, or sale of CBD Products and all agents and representatives who participate in labeling, manufacturing, , advertising, marketing, promotion, distribution, offering for sale, or sale of CBD Products; and (3) any business entity resulting from any change in structure as set forth in the Provision titled Compliance Reports and Notices. Delivery must occur within 10 days after the effective date of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.
- C. From each individual or entity to which a Respondent delivered a copy of this Order, that Respondent must obtain, within [30] days, a signed and dated acknowledgment of receipt of this Order.

X. COMPLIANCE REPORTS AND NOTICES

IT IS FURTHER ORDERED that Respondents make timely submissions to the Commission:

- A. Sixty days after the issuance date of this Order, each Respondent must submit a compliance report, sworn under penalty of perjury, in which:
1. Each Respondent must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission, may use to communicate with Respondent; (b) identify all of that Respondent's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the goods and services offered, the means of advertising, marketing, and sales, and the involvement of any other Respondent (which Individual Respondents must describe if they know or should know due to their own involvement); (d) describe in detail whether and how that Respondent is in compliance with each Provision of this Order, including a discussion of all of the changes the Respondent made to comply with the Order; and (e) provide a copy of each Acknowledgment of the Order obtained pursuant to this Order, unless previously submitted to the Commission.
 2. Additionally, each Individual Respondent must: (a) identify all his telephone numbers and all his physical, postal, email and Internet addresses, including all residences; (b) identify all his business activities, including any business for which such Respondent performs services whether as an employee or otherwise and any entity in which such

Decision and Order

Respondent has any ownership interest; and (c) describe in detail such Respondent's involvement in each such business activity, including title, role, responsibilities, participation, authority, control, and any ownership.

- B. Each Respondent must submit a compliance notice, sworn under penalty of perjury, within 14 days of any change in the following:
1. Each Respondent must submit notice of any change in: (a) any designated point of contact; or (b) the structure of any Corporate Respondent or any entity that Respondent has any ownership interest in or controls directly or indirectly that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.
 2. Additionally, each Individual Respondent must submit notice of any change in: (a) name, including alias or fictitious name, or residence address; or (b) title or role in any business activity, including (i) any business for which such Respondent performs services whether as an employee or otherwise and (ii) any entity in which such Respondent has any ownership interest and over which Respondents have direct or indirect control. For each such business activity, also identify its name, physical address, and any Internet address.
- C. Each Respondent must submit notice of the filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by or against such Respondent within 14 days of its filing.
- D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____" and supplying the date, signatory's full name, title (if applicable), and signature.
- E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: In re HempmeCBD, FTC File No. 2023047.

XI. RECORDKEEPING

IT IS FURTHER ORDERED that Respondents must create certain records for 20 years after the issuance date of the Order, and retain each such record for 5 years, unless otherwise

Decision and Order

specified below. Specifically, Corporate Respondents and each Individual Respondent for any business that such Respondent, individually or collectively with any other Respondents, is a majority owner or controls directly or indirectly, must create and retain the following records:

- A. Accounting records showing the revenues from all goods or services sold, the costs incurred in generating those revenues, and resulting net profit or loss;
- B. Personnel records showing, for each person providing services in relation to any aspect of the Order, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. Copies or records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- D. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission;
- E. A copy of each unique advertisement or other marketing material making a representation subject to this Order;
- F. For 5 years from the date of the last dissemination of any representation covered by this Order:
 - 1. All materials that were relied upon in making the representation; and
 - 2. All tests, studies, analysis, other research, or other such evidence in Respondents' possession, custody, or control that contradicts, qualifies, or otherwise calls 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;
- G. For 5 years from the date received, copies of all subpoenas and other communications with law enforcement, if such communications relate to Respondents' compliance with this Order; and
- H. For 5 years from the date created or received, all records, whether prepared by or on behalf of Respondents that tend to show any lack of compliance by Respondents with this Order.

XII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of monitoring Respondents' compliance with this Order:

Decision and Order

- A. Within 10 days of receipt of a written request from a representative of the Commission, each Respondent must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury, and produce records for inspection and copying.
- B. For matters concerning this Order, representatives of the Commission are authorized to communicate directly with each Respondent. Respondents must permit representatives of the Commission to interview anyone affiliated with any Respondent who has agreed to such an interview. The interviewee may have counsel present.
- C. The Commission may use all other lawful means, including posing through its representatives as consumers, suppliers, or other individuals or entities, to Respondents or any individual or entity affiliated with Respondents, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.
- D. Upon written request from a representative of the Commission, any consumer reporting agency must furnish consumer reports concerning Individual Respondents, pursuant to Section 604(2) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(2).

XIII. ORDER EFFECTIVE DATES

IT IS FURTHER ORDERED that this Order is final and effective upon the date of its publication on the Commission's website (ftc.gov) as a final order. This Order will terminate 20 years from the date of its issuance (which date may be stated at the end of this Order, near the Commission's seal), or 20 years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying settlement) in federal court alleging any violation of this Order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Provision in this Order that terminates in less than 20 years;
- B. This Order's application to any Respondent that is not named as a defendant in such complaint; and
- C. This Order if such complaint is filed after the Order has terminated pursuant to this Provision.

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 Provision as though the complaint had never been filed, except that the Order will not terminate between the date such

Decision and Order

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.

By the Commission.

ATTACHMENT A TO THE ORDER – LETTER TEMPLATE**CLAIMS ABOUT PRODUCTS CONTAINING CBD**

Federal Trade Commission v. EasyButter, LLC, et. al.

<Date>

Subject: *[Insert name of product customer will recognize]*

<Name of customer>

<mailing address of customer
including zip code>

Dear <Name of customer>:

Our records show that you bought [names of products] from [our company *or other name consumers will recognize – the retailer, perhaps*]. We are writing to tell you that the Federal Trade Commission, the nation’s consumer protection agency, has [charged us with *or sued us for*] deceptive or false advertising.

The Federal Trade Commission (FTC), the nation’s consumer protection agency, sued [our company *or other name consumers will recognize – the retailer, perhaps*] for making misleading claims that our CBD products can effectively prevent, cure, treat, or mitigate serious diseases and health conditions, including the following:

acne; AIDS; autism; bipolar disorder; cancer; depression; diabetes; epilepsy; PTSD; seizures; and substance abuse.

We’re writing to inform you that, contrary to our claims, there is no scientific proof that our CBD products will effectively prevent, cure, treat, or mitigate the serious diseases and health conditions listed above.

CBD products and other alternative treatments might be harmful to your medical care, and could interfere with your prescriptions. CBD products could also be dangerous if you take

Decision and Order

them with other medicines or at a high dose. Talk to your doctor before you take any treatments or stop any prescriptions.

As a part of this lawsuit, you may be entitled to a refund. Please visit [URL] for more information about refunds. If you have other questions about this lawsuit, visit [add URL]. For more information about protecting yourself from bogus health product claims visit ftc.gov/health.

Sincerely,

[signature]

[identify Respondent/Defendant or other person responsible for signing the notification letter]

ATTACHMENT B to the Order – Envelope Template:

The envelope for the notification letter must be in the following form, with the underlined text completed as directed:

*[Identify Respondent
Street Address
City, State and Zip Code]*

FORWARDING AND RETURN POSTAGE GUARANTEED ADDRESS CORRECTION
SERVICE REQUESTED

[name and
mailing address of customer,
including zip code]

Concurring Statement

STATEMENT OF COMMISSIONER ROHIT CHOPRA**Summary**

- When companies lie about the effectiveness of their treatments for serious conditions, this harms patients and diverts sales away from firms that tell the truth.
- Congress gave the FTC a new authority to crack down on abuses in the opioid treatment industry, but the agency has not prioritized this issue. This should change.
- The FTC can increase its effectiveness when it comes to health claims by shifting resources away from small businesses and by deploying the unused Penalty Offense Authority.

Today, the Federal Trade Commission is taking action against several outfits regarding their outlandish – and unlawful – claims about cannabidiol (CBD). While CBD is currently the subject of considerable scientific research, there is no evidence yet that CBD can treat or cure cancer, Alzheimer’s, or other serious diseases. Baseless claims give patients false hope, improperly increase or divert their medical spending, and undermine “a competitor’s ability to compete” on honest attributes.¹

I support these actions and congratulate those who made them a reality. Going forward, however, the FTC will need to refocus its efforts on health claims by targeting abuses in the substance use disorder treatment industry, shifting attention toward large businesses, and making more effective use of the FTC’s Penalty Offense Authority.

First, COVID-19 and the resulting economic and social distress are fueling new concerns about substance use disorders. In particular, there are signs that the pandemic is leading to greater dependence on opioids.² It is critical that the FTC take steps to prevent exploitation of patients seeking treatment for substance use disorders.

I am particularly concerned about abusive practices in the for-profit opioid treatment industry, and believe this should be a high priority. This industry has grown exponentially by profiting off those suffering from addiction. Many of these outfits use lead generators to steer

¹ *In re Pfizer, Inc.*, 81 F.T.C. 23, 62 (1972).

² See, e.g., Jon Kamp & Arian Campo-Flores, *The Opioid Crisis, Already Serious, Has Intensified During Coronavirus Pandemic*, WALL STREET J. (Sept. 8, 2020), <https://www.wsj.com/articles/the-opioid-crisis-already-serious-has-intensified-during-coronavirus-pandemic-11599557401>; Issue brief: Reports of increases in opioid- and other drug-related overdose and other concerns during COVID pandemic, AMERICAN MEDICAL ASSOCIATION (last updated on Oct. 31, 2020), <https://www.ama-assn.org/delivering-care/opioids/covid-19-may-be-worsening-opioid-crisis-states-can-take-action>.

Concurring Statement

Americans into high-cost, subpar treatment centers, and some even hire intermediaries – so-called “body brokers” – who collect kickbacks from this harmful practice.³

More than two years ago, Congress passed the SUPPORT for Patients and Communities Act. Among other provisions, the Act authorized the Commission to seek civil penalties, restitution, damages, and other relief against outfits that engage in misconduct related to substance use disorder treatment.⁴ The Commission is well positioned to help shut down these abuses, ensure they are not profitable, and hold predatory actors and their enablers to account.⁵

Unfortunately, the Commission has brought zero cases under this new authority. While I have supported actions like this one that challenge baseless CBD claims, as well as previous actions charging that pain relief devices and similar products were sold deceptively,⁶ I am concerned that we have largely ignored Congressional concerns about unlawful opioid treatment practices. I urge my fellow Commissioners to change course on our enforcement priorities, especially given our limited resources.

Second, the FTC should focus more of its enforcement efforts on larger firms rather than small businesses. Today’s actions focus on very small players, some of which are defunct. While I appreciate that small businesses can also harm honest competitors and families, they are often judgment-proof, making it unlikely victims will see any relief.⁷ I am confident that FTC staff can successfully challenge powerful, well-financed defendants that break the law.

Finally, the Commission should reduce the prevalence of unlawful health claims by triggering civil penalties under the FTC’s Penalty Offense Authority.⁸ Under the Penalty Offense

3 For example, recent reporting describes the “Florida Shuffle,” where treatment facilities pay brokers to recruit patients through 12-step meetings, conferences, hotlines, and online groups, leading to serious harm. See German Lopez, *She wanted addiction treatment. She ended up in the relapse capital of America*, VOX (Mar. 2, 2020), <https://www.vox.com/policy-and-politics/2020/3/2/21156327/florida-shuffle-drug-rehab-addiction-treatment-bri-jayne>. See also Letter from Commissioner Chopra to Congress on Deceptive Marketing Practices in the Opioid Addiction Treatment Industry (July 28, 2018), <https://www.ftc.gov/public-statements/2018/07/letter-commissioner-chopra-congress-deceptive-marketing-practices-opioid> (calling on the FTC to do more to tackle this problem).

4 Pub. L. No. 115-271 §§ 8021-8023 (codified in 15 U.S.C. § 45d). The Act also allows the Commission to prosecute deceptive marketing of opioid treatment products. Notably, a number of respondents in this sweep are alleged to have made claims that CBD could replace OxyContin.

5 Given public reports regarding private equity rollups of smaller opioid treatment facilities, the Commission can also examine whether anticompetitive M&A strategies are leading to further patient harm. See Statement of Commissioner Rohit Chopra Regarding Private Equity Roll-ups and the Hart-Scott-Rodino Annual Report to Congress, Comm’n File No. P110014 (July 8, 2020), <https://www.ftc.gov/public-statements/2020/07/statement-commissioner-rohit-chopra-regarding-private-equity-roll-ups-hart>.

6 Press Release, Fed. Trade Comm’n, Marketers of Pain Relief Device Settle FTC False Advertising Complaint (Mar. 4, 2020), <https://www.ftc.gov/news-events/press-releases/2020/03/marketers-pain-relief-device-settle-ftc-false-advertising>.

7 In one of these matters, the respondents are paying nothing.

8 15 U.S.C. § 45(m)(1)(b).

Concurring Statement

Authority, firms that engage in conduct they know has been previously condemned by the Commission can face civil penalties, in addition to the relief that we typically seek.⁹ For example, the Commission routinely issues warning letters to businesses regarding unsubstantiated health claims. Future warning letters can be more effective if they include penalty offense notifications.

The Commission has repeatedly found that objective claims require a reasonable basis,¹⁰ and apprising firms of these findings – along with a warning that noncompliance can result in penalties – makes it significantly more likely they will come into compliance voluntarily. In fact, when the Commission employed this strategy four decades ago, it reportedly resulted in a “high level of voluntary compliance achieved quickly and at a low cost.”¹¹ Going forward, we should pursue this strategy.¹²

I thank everyone who made today’s actions possible, and look forward to future efforts that address emerging harms using the full range of our tools and authorities.

9 See Rohit Chopra & Samuel A.A. Levine, The Case for Resurrecting the FTC Act’s Penalty Offense Authority (Oct. 29, 2020), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3721256. Particularly given challenges to the FTC’s 13(b) authority, incorporating a penalty offense strategy can safeguard the Commission’s ability to seek strong remedies against lawbreakers.

10 This requirement was first established in the Commission’s 1972 *Pfizer* decision, and it has been affirmed repeatedly. *Pfizer, Inc.*, *supra* note 2 (finding that “[f]airness to the consumer, as well as fairness to competitors” compels the conclusion that affirmative claims require a reasonable basis); *In re Thompson Medical Co.*, 104 F.T.C. 648, 813 (1984) (collecting cases), *aff’d*, 791 F.2d 189 (D.C. Cir. 1986). Appended to *Thompson Medical* was the Commission’s Policy Statement Regarding Advertising Substantiation, which states that “a firm’s failure to possess and rely upon a reasonable basis for objective claims constitutes an unfair and deceptive act or practice in violation of Section 5 of the Federal Trade Commission Act.” *Id.* at 839. This standard continues to govern the Commission’s approach to substantiation, as recently reaffirmed in the Commission’s final order against POM Wonderful. *In re POM Wonderful LLC et al.*, 155 F.T.C. 1, 6 (2013).

11 Commissioner Bailey made this observation in the context of opposing industry efforts to repeal this authority, an authority she described as an “extremely effective and efficient way to enforce the law.” Testimony of Commissioner Patricia P. Bailey Before the Subcomm. on Com., Tourism and Transp. of the Comm. on Energy and Com. of the H.R. Concerning the 1982 Reauthorization of the Fed. Trade Comm’n, at 11 (Apr. 1, 1982), https://www.ftc.gov/system/files/documents/public_statements/693551/19820401_bailey_testimony_before_the_subcommittee_on_commerce_subcommittee_on_commerce_touri.pdf.

12 My colleague, Commissioner Christine S. Wilson, has issued a statement in this matter. I agree that the Commission should not prioritize close-call substantiation cases, especially those involving small businesses.

Concurring Statement

CONCURRING STATEMENT OF COMMISSIONER CHRISTINE S. WILSON

Today the Commission announces six settlements with marketers of cannabidiol (CBD) products resolving allegations that they made false, misleading, and/or unsubstantiated express disease claims for their products. I support these cases because accurate and complete information about products contributes to the efficient functioning of the market and facilitates informed consumer decision-making. In contrast, deceptive or false claims inhibit informed decision-making and may cause economic injury to consumers.

The Commission's complaints in these matters allege that the marketers claimed their products could treat, prevent, or cure diseases or serious medical conditions, including cancer, heart disease, Alzheimer's, diabetes, and Parkinson's disease, and that scientific research or clinical studies supported these claims. In fact, according to the Commission's complaints, the proposed respondents did not conduct scientific research on the efficacy of their products to treat these diseases or conditions. In addition, the complaints allege that some of the proposed respondents claimed that their products could be taken in lieu of prescription medication.

The Commission has been working with the FDA, and on its own, to combat false and unsubstantiated claims for CBD products, including through warning letters¹ and a law enforcement action.² Here, where consumers may have foregone proven measures to address serious diseases and the marketers have made virtually no effort to possess and rely on scientific evidence to support their strong, express disease claims, as we allege in our complaint, I agree that law enforcement is appropriate.

The Commission's proposed consent orders in these matters require respondents to possess and rely on competent and reliable evidence, defined as randomized, double-blind, placebo- controlled human clinical trials to support disease and other serious health claims for these types of products in the future.³ Although I support this requirement in these cases, for these types of claims, I caution that the Commission should impose this stringent substantiation requirement sparingly. Credible science supports the use of CBD products to treat certain

1 Press Release, *FTC and FDA Warn Florida Company Marketing CBD Products about Claims Related to Treating Autism, ADHD, Parkinson's, Alzheimer's, and Other Medical Conditions*, Oct. 22, 2019, available at <https://www.ftc.gov/news-events/press-releases/2019/10/ftc-fda-warn-florida-company-marketing-cbd-products-about-claims>; Press Release, *FTC Sends Warning Letters to Companies Advertising Their CBD-Infused Products as Treatments for Serious Diseases, Including Cancer, Alzheimer's, and Multiple Sclerosis*, Sept. 10, 2019, available at <https://www.ftc.gov/news-events/press-releases/2019/09/ftc-sends-warning-letters-companies-advertising-their-cbdinfused>; Press Release, *FTC Joins FDA in Sending Warning Letters to Companies Advertising and Selling Products Containing Cannabidiol (CBD) Claiming to Treat Alzheimer's, Cancer, and Other Diseases*, Apr. 2, 2019, available at <https://www.ftc.gov/news-events/press-releases/2019/04/ftc-joins-fda-sending-warning-letters-companiesadvertising>.

2 Press Release, *FTC Order Stops the Marketer of "Thrive" Supplement from Making Baseless Claims It Can Treat, Prevent, or Reduce the Risks from COVID-19*, July 10, 2020, available at <https://www.ftc.gov/newsevents/press-releases/2020/07/ftc-order-stops-marketer-thrive-supplement-making-baseless-claims>.

3 See, e.g., Part I of Proposed Order, In the Matter of Bionatrol Health, LLC, et. al. (Dec. 2020).

Concurring Statement

conditions – specifically, the FDA has approved a drug containing CBD as an active ingredient to treat rare, severe forms of epilepsy.⁴ And I understand that many research studies are currently seeking to determine whether there are other scientifically valid and safe uses of this ingredient.

I agree with my predecessors who have stated that the Commission should be careful to avoid imposing an unduly high standard of substantiation that risks denying consumers truthful, useful information, may diminish incentives to conduct research, and could chill manufacturer incentives to introduce new products to the market.⁵ And I agree with the observation of my colleague Commissioner Chopra in his statement that “[b]aseless claims give patients false hope, improperly increase or divert their medical spending, and undermine ‘a competitor’s ability to compete’ on honest attributes.”⁶ Although I support these cases, I hope that the Commission’s actions here, which challenge wholly unsubstantiated disease claims, do not discourage research into the potential legitimate benefits of CBD and a wide array of other products. In addition, going forward, I urge the Commission to focus our scarce resources on marketers that make strong, express claims about diseases and serious health issues with little to no scientific support and engage in deceptive practices that cause substantial consumer injury.

4 See FDA Press Release, *FDA approves first drug comprised of an active ingredient derived from marijuana to treat rare, severe forms of epilepsy* (June 25, 2018), available at: <https://www.fda.gov/news-events/press-announcements/fda-approves-first-drug-comprised-active-ingredient-derived-marijuana-treat-rare-severe-forms>.

5 See, e.g., Statement of Commissioner Maureen K. Ohlhausen, *In the Matter of Health Discovery Corporation and FTC v. Avrom Boris Lasarow, et al.* (Feb. 2015), <https://www.ftc.gov/public-statements/2015/02/dissenting-statement-commissioner-maureen-k-ohlhausen-matter-health>; Statement of Commissioner Joshua D. Wright, *FTC v. Kevin Wright; HCG Platinum, LLC; and Right Way Nutrition, LLC* (Dec. 2014), <https://www.ftc.gov/public-statements/2014/12/statement-commissioner-joshua-d-wright-federal-trade-commission-v-kevin>; Statement of Commissioner Joshua D. Wright, *In the Matter of GeneLink, Inc., and foru International Corporation* (January 2014), <https://www.ftc.gov/public-statements/2014/01/statement-commissioner-joshua-d-wright-matter-genelink-inc-foru>; Statement of Commissioner Maureen K. Ohlhausen Dissenting in Part and Concurring in Part, *In the Matter of GeneLink, Inc. and foru International Corporation* (January 2014), <https://www.ftc.gov/public-statements/2014/01/statement-commissioner-maureen-k-ohlhausen-dissenting-part-concurring-part>; Dissenting Statement of Commissioner Maureen K. Ohlhausen, *FTC v. Springtech 77376, et al.* (July 2013), <https://www.ftc.gov/public-statements/2013/07/dissenting-statement-commissioner-maureen-k-ohlhausen>; see also J. Howard Beales, III and Timothy J. Muris, *In Defense of the Pfizer Factors*, George Mason Law & Economics Research Paper No. 12-49 (May 2012), available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2087776.

6 See Statement of Commissioner Rohit Chopra Regarding the Cannabidiol (CBD) Enforcement Actions (Dec. 17, 2020).

Analysis to Aid Public Comment

ANALYSIS OF CONSENT ORDER TO AID PUBLIC COMMENT

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, an agreement containing a consent order with EASYBUTTER, LLC, (“EasyButter”) and Michael Solomon, individually and as an officer and owner of EASYBUTTER, LLC. (“Respondents”).

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

This matter involves the Respondents’ advertising of products containing cannabidiol (“CBD Products”). The complaint alleges that Respondents violated Sections 5(a) and 12 of the FTC Act by disseminating false and unsubstantiated advertisements claiming that: (1) their CBD Products prevent diabetes and treat acne, AIDS, autism, bipolar disorder, cancer, depression, epilepsy, PTSD, seizures, and substance abuse; (2) tests or studies prove that their CBD products treat autism; and (3) doctors recommend CBD over prescription medications for depression and PTSD.

The order includes injunctive relief that prohibits these alleged violations and fences in similar and related conduct. The product coverage would apply to any dietary supplement, drug, or food the Respondents sell, market, promote, or advertise, including CBD Products

Part I prohibits Respondents from making any representation about the efficacy of any covered product, including that such product will: (1) alleviate or cure seizures; or (2) cure, mitigate, or treat any disease, including but not limited to acne, AIDS, autism, bipolar disorder, cancer, depression, diabetes, epilepsy, post-traumatic stress disorder, and substance abuse, unless the representation is non-misleading, including that, at the time such representation is made, he possesses and relies upon competent and reliable scientific evidence that substantiates that the representation is true.

For purposes of Part I, “competent and reliable scientific evidence” must consist of human clinical testing of the covered product or of an essentially equivalent product that is sufficient in quality and quantity, based on standards generally accepted by experts in the relevant disease, condition, or function to which the representation relates, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true. Such testing must be: (1) randomized, double-blind, and placebo-controlled; and (2) conducted by researchers qualified by training and experience to conduct such testing.

Part II prohibits Respondents from making any representation, other than representations covered under Part I, about the health benefits, performance, efficacy, safety or side effects of any covered product, unless the representation is non-misleading, including that, at the time such representation is made, they possess and rely upon competent and reliable scientific evidence that is sufficient in quality and quantity based on standards generally accepted by experts in the

Analysis to Aid Public Comment

relevant disease, condition, or function to which the representation relates, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true.

For purposes of Part II, “competent and reliable scientific evidence” means tests, analyses, research, or studies that (1) have been conducted and evaluated in an objective manner by experts in the relevant disease, condition, or function to which the representation relates; (2) that are generally accepted by such experts to yield accurate and reliable results; and (3) that are randomized, double-blind, and placebo-controlled human clinical testing of the covered product, or of an essentially equivalent product, when such experts would generally require such human clinical testing to substantiate that the representation is true.

Part III requires that with regard to any human clinical test or study (“test”) upon which the Respondents rely to substantiate any claim covered by the order, the Respondents must secure and preserve all underlying or supporting data and documents generally accepted by experts in the field as relevant to an assessment of a test.

Part IV prohibits Respondents from misrepresenting: (1) that any covered product is scientifically proven to treat autism; (2) that doctors recommend any covered product over prescription medications for depression, and PTSD; (3) that the performance or benefits of any product are scientifically or clinically proven; or (4) the existence, contents, validity, results, conclusions, or interpretations of any test, study, or other research; are scientifically or clinically proven.

Part V provides Respondents a safe harbor for making claims approved by the Food and Drug Administration (“FDA”).

Part VI requires Respondents to pay the Commission \$36,254.37 within 8 days of the effective date of the order.

Part VII requires Respondents to relinquish dominion and all legal and equitable right, title, and interest in all assets transferred pursuant to the order.

Part VIII requires Respondents to send notices to consumers who purchased their CBD products informing them about the settlement.

Parts IX requires Respondents to submit an acknowledgement of receipt of the order, and for the individual Respondent to serve the order on certain individuals, including all officers or directors of any business the individual Respondent controls and employees having managerial responsibilities for conduct related to the subject matter of the order, and to obtain acknowledgements from each individual or entity to which a Respondent has delivered a copy of the order.

Part X requires Respondents to file compliance reports with the Commission, and to notify the Commission of bankruptcy filings or changes in corporate structure that might affect compliance obligations. **Part XI** contains recordkeeping requirements for accounting records,

Analysis to Aid Public Comment

personnel records, consumer correspondence, advertising and marketing materials, and claim substantiation, as well as all records necessary to demonstrate compliance or non-compliance with the order. **Part XII** contains other requirements related to the Commission's monitoring of the Respondents' order compliance. **Part XIII** provides the effective dates of the order, including that, with exceptions, the order will terminate in 20 years.

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

Complaint

IN THE MATTER OF

**CBD MEDS, INC.,
G2 HEMP, INC.,
AND
LAWRENCE MOSES
A/K/A
LAWRENCE D. MOSES, JR.**

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

Docket No. C-4735; File No. 202 3080

Complaint, February 2, 2021 – Decision, February 2, 2021

This consent order addresses CBD Meds, Inc.’s advertising of products containing cannabidiol. The complaint alleges that Respondents violated Sections 5(a) and 12 of the Federal Trade Commission Act by disseminating false and unsubstantiated advertisements claiming that: (1) CBD treats, prevents, or reduces the risk of artery blockage, dementia, blood sugar levels, seizures and convulsions, psoriasis, HIV dementia, cancer, age-related bone disease, arthritis, blood pressure conditions, diabetes, gastrointestinal disorders, glaucoma, strokes, Alzheimer’s disease, multiple sclerosis, Parkinson’s disease, epilepsy, autism, post traumatic stress disorder, bipolar disorders, and schizophrenia; (2) clinical trials, studies, or scientific research prove that CBD treats or prevents seizures, cancer, strokes, Alzheimer’s disease, Parkinson’s disease, and HIV dementia, and may make chemotherapy more effective; (3) a U.S. government study has shown that CBD may make chemotherapy more effective; and (4) the U.S. government has stated that CBD is scientifically proven to have antioxidant and neuroprotectant properties. The consent order prohibits Respondents from making any representation about the efficacy of any covered product, including that such product will: (1) treat blood pressure conditions or gastrointestinal disorders; (2) reduce seizures and convulsions; (3) reduce blood sugar levels; or (4) cure, mitigate or treat any disease in humans, unless the representation is non-misleading, including that, at the time such representation is made, they possess and rely upon competent and reliable scientific evidence that substantiates that the representation is true.

Participants

For the *Commission*: *Barbara Chun*.

For the *Respondents*: *Lawrence Moses, CEO and Owner, pro se*.

COMPLAINT

The Federal Trade Commission, having reason to believe that CBD Meds, Inc., a corporation, G2 Hemp, Inc., a corporation, and Lawrence Moses, individually and as an officer of CBD Meds, Inc. and G2 Hemp, Inc. (collectively, “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:

1. Respondent CBD Meds, Inc. (“CBD Meds”) is a California nonprofit mutual benefit corporation. Pursuant to California law, a nonprofit mutual benefit corporation is set up for the benefit of its members and may conduct business at a profit. Cal. Corp. Code §§ 7110