

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

Complaint

cmt., 7140(l). Thus, CBD Meds is a corporation organized to carry on business for its own profit or the profit of its members within the meaning of Section 4 of the FTC Act. 15 U.S.C. § 44. Its principal office or place of business is in Winchester, California 92596.

2. Respondent G2 Hemp, Inc. (“G2 Hemp”) is a California corporation. Its principal office or place of business is in Winchester, California 92596.

3. Respondent Lawrence Moses (“Moses”), also known as Lawrence D. Moses, Jr., is the owner and CEO of CBD Meds and G2 Hemp. Individually or in concert with others, he controlled or had the authority to control, or participated in the acts and practices of CBD Meds and G2 Hemp, including the acts and practices alleged in this Complaint. His principal office or place of business is the same as that of CBD Meds and G2 Hemp.

4. Respondents CBD Meds and G2 Hemp (collectively, “Corporate Respondents”) have operated as a common enterprise while engaging in the unlawful acts and practices alleged below. Corporate Respondents have conducted the business practices described below through interrelated companies that have common ownership, officers, managers, business functions, and office locations. Because these Corporate Respondents have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Respondent Moses has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the common enterprise alleged in this Complaint.

5. 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 intended for human and animal consumption or use containing CBD. Consumers have been able to purchase Respondents’ CBD products by ordering online at G2Hemp.com. Respondents’ CBD products are offered in the form of capsules for both humans and pets, droppers, chewing gum, and skin cream. According to the product labels, dosages vary. For the capsules and pet meds, for example, each capsule contains either 10 or 25 mg of CBD. Respondents’ CBD products are “food” and/or “drugs,” within the meaning of Sections 12 and 15(b) and (c) of the Federal Trade Commission Act.

6. 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’ Advertising and Marketing of CBD Products

7. To induce consumers to purchase their products, Respondents have disseminated or have caused to be disseminated advertisements for their CBD products. Respondents promoted CBD products through the websites CBDMEDS.org and G2Hemp.com, and through social media such as YouTube. These advertisements have contained the following representations or statements, among others, that CBD can treat, prevent or mitigate various serious medical conditions or diseases:

Complaint

- a. From CBDMeds.org, captured April 17, 2020 (Ex. A (“What is CBD and what are its benefits” page)) and G2Hemp.com, captured January 30, 2020 (Ex. B (same)).

What is CBD and what are its benefits?

by Lawrence | Mar 9, 2017 | Latest News | 0 comments

Research on the benefits of cannabidiol (CBD) is well documented by the U.S. government via the NCBI (National Center for Biotechnology Information) and the U.S. National Library of Medicine. We have compiled six (6) therapeutic properties of CBD with links below. Our government explains in great detail the scientific explanation for each of the following therapeutic properties of cannabidiol:

1. Analgesic (Pain Relief) – <https://www.ncbi.nlm.nih.gov/pubmed/11164622>
2. Anti-Emetic (Nausea Relief) – <https://www.ncbi.nlm.nih.gov/pubmed/10575283>
3. Anti-Inflammatory – <https://www.ncbi.nlm.nih.gov/pubmed/10575283>
4. Anti-Psychotic – <https://www.ncbi.nlm.nih.gov/pubmed/22716160>
5. Anti-Seizure – <https://www.ncbi.nlm.nih.gov/pubmed/10863546>
6. Anti-Anxiety – <https://www.ncbi.nlm.nih.gov/pubmed/6285406>

- b. From CBDMeds.org, captured April 17, 2020 (Ex. C (“Home” page)) and G2Hemp.com, captured March 2, 2020 (Ex. D (“Home” page)).

Later, [the federal government] even patented “cannabinoids as antioxidants and neuroprotectants”. US Patent 6630507⁽²⁾ outlines specific potential for stroke, brain trauma, Alzheimer’s and other conditions. Here’s a copy of the actual patent:
[Image of patent heading].

‘Cannabis and Cannabinoids’ by the United States Federal Government
[Image of National Cancer Institute trademark]

Let’s help educate ourselves! The following information comes straight from our United States Federal government from one of its websites Cancer.gov! Please share so that all people can read about what our government is saying about cannabis as a treatment for cancer and other serious chronic conditions. The information provided is very objective, as it is based on the results of clinical trials our government has conducted on mice and rats.

- c. From CBDMeds.org, captured April 17, 2020 (Ex. C (Home page)).

Latest News . . .

National Cancer Institutes’ [sic] Clinical Studies on CBD
Feb 5, 2016

Complaint

The United States Federal Government performed a laboratory study of cannabidiol (CBD) in human glioma cells showed [sic] that when given along with chemotherapy, CBD may make chemotherapy more effective and increase cancer cell death without harming normal cells.

- d. From CBDMeds.org, captured April 17, 2020 (Ex. E (United States Patent on CBD page)) and G2Hemp.com, captured January 30, 2020 (Ex. F (same)):

United States Patent on CBD (Patent #6630507)
by Lawrence | Sep 7, 2016 | Latest News | 0 comments

Cannabinoids as antioxidants and neuroprotectants – straight from the horse's mouth! Another [sic] words, straight from our federal government!!!

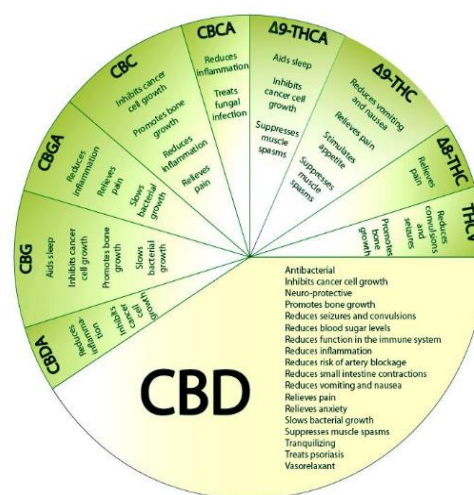
According to our own United States Federal Government, Cannabinoids such as CBD have been found to have antioxidant and neuroprotectant properties. . .The cannabinoids are found to have particular application as neuroprotectants, for example in limiting neurological damage following ischemic insults, such as stroke and trauma, or in the treatment of neurodegenerative diseases, such as Alzheimer's disease, Parkinson's disease and HIV dementia.

Still don't believe us that our federal government took out a patent on CBD and other cannabinoids? Click the following link and please share this with any of your friends who may be skeptical about the positive medicinal benefits of medical cannabis!

- e. From CBDMeds.org, captured April 17, 2020 ("About" page):

About our CBD Medicines

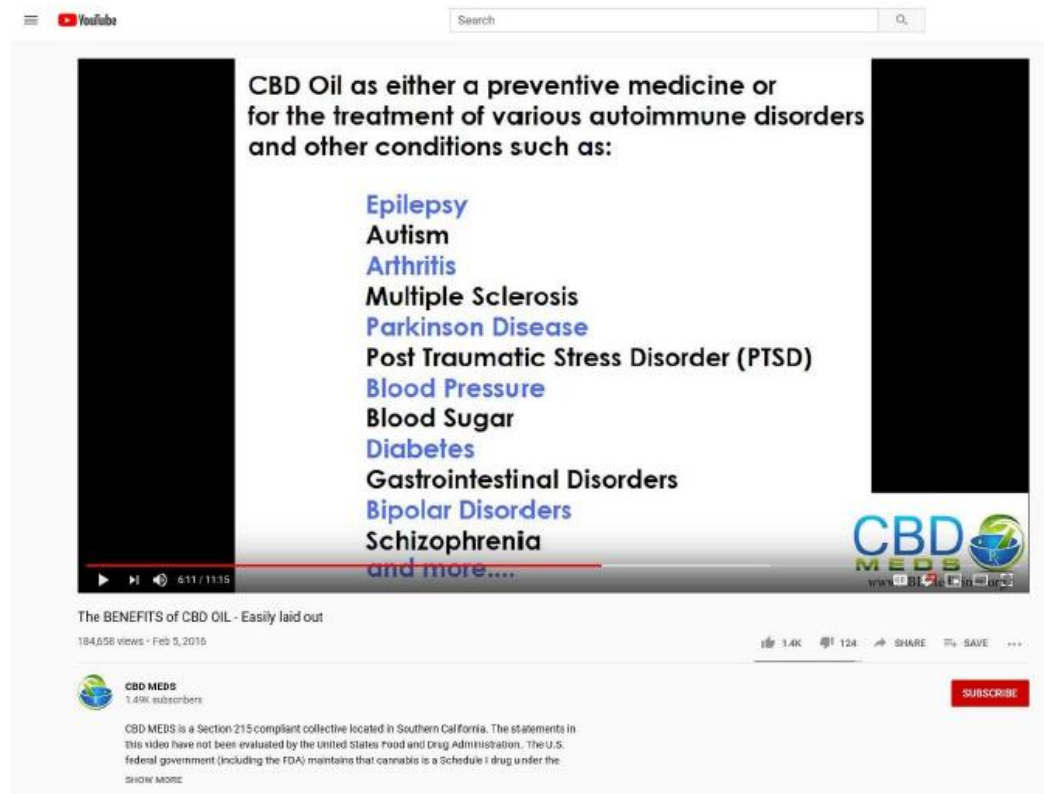
It is our belief that cannabidiol (CBD) offers the most therapeutic and medicinal benefits found in any cannabinoid from the cannabis plant. We also believe that the medicinal benefits of an enriched CBD cannabis plant are superior to an enriched CBD hemp plant. Our reasoning is that a CBD hemp plant contains zero amounts of THC, and we believe that THC plays a vital role in CBD's efficiency, and here is why. CBD and THC are the two biggest cannabinoids found in the cannabis plant, with CBD alone accounting up to 40% of the plant's extract. Based on the medical results from our patients who have taken CBD oils from both the cannabis plant and the hemp plant, we firmly believe that the two most significant cannabinoids (CBD & THC) were meant to work together. Therefore, until the science is available to prove us wrong, we have decided to not supply, offer, or endorse any CBD products which come from a CBD hemp plant. Instead, we have cloned our own CBD strain called Geneis I, which has very low amounts of THC in it, with the objective that it will not disrupt or interfere with a patient's daily life. A good analogy we can use to help support our theory goes like this. If THC was a vehicle's alternator and CBD was the engine, then anyone could turn the ignition, but if the alternator is not present, one cannot fire up the engine!



Complaint

- f. From CBD Meds' YouTube video, "The BENEFITS of CBD OIL – Easily laid out," captured February 27, 2020 (screenshot at 6 minutes, 3 to 24 seconds):

ON-SCREEN



VOICE-OVER BY NARRATOR, LAWRENCE MOSES:

“Your doctor may recommend CBD oil as either preventative medicine or for the treatment of various autoimmune disorders and other conditions such as epilepsy, autism, arthritis, multiple sclerosis, Parkinson’s disease, post traumatic stress disorder, blood pressure, blood sugar, diabetes, gastrointestinal disorders, bipolar disorders, schizophrenia, and more.”

- g. From G2Hemp.com, captured January 30, 2020 (Ex. G (“Benefits from CBD for Seniors” page)):

Benefits from CBD for Seniors

...

Cardiovascular Improvement . . . [CBD oil’s] anti-inflammatory effects can help with heart diseases and may even help prevent strokes.

Complaint

Improves Bone Health . . . Research is showing that CBD oil may help delay bone decay and prevent age-related bone disease. It can even help heal fractures and stimulate bone growth and collagen production.

Protects Against Alzheimers [sic] and Dementia . . . CBD oil may help prevent the onset of [Alzheimer's disease and dementia] thanks to its neuroprotectant properties.

Parkinson's Disease Prevention . . . CBD oil could play a role in managing the symptoms of and even preventing Parkinson's disease.

Relief from Glaucoma . . . CBD oil could provide some relief and possibly even prevention, thanks to its promotion of neural health.

Count I False or Unsubstantiated Efficacy Claims

8. In connection with the advertising, marketing, promotion, offering for sale, or sale of CBD products, including through the means described in Paragraph 7, Respondents have represented, directly or indirectly, expressly or by implication, that CBD:

- a. reduces risk of artery blockage;
- b. prevents dementia;
- c. reduces blood sugar levels;
- d. prevents or reduces seizures and convulsions;
- e. treats psoriasis and HIV dementia; and
- f. treats or prevents 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.

9. The representations set forth in Paragraph 8 are false or misleading, or were not substantiated at the time the representations were made.

Count II False Establishment Claims

10. In connection with the advertising, marketing, promotion, offering for sale, or sale of CBD products, including through the means described in Paragraph 7, Respondents have represented, directly or indirectly, expressly or by implication, that:

Complaint

- a. clinical trials, studies, or scientific research prove that CBD:
 - 1. prevents seizures;
 - 2. treats cancer;
 - 3. treats or prevents strokes, Alzheimer's disease, Parkinson's disease, and HIV dementia; and
 - 4. may make chemotherapy more effective and increase cancer cell death without harming normal cells;
 - b. a U.S. government laboratory study showed that CBD may make chemotherapy more effective and increase cancer cell death without harming normal cells; and
 - c. the U.S. government has stated that CBD is scientifically proven to have antioxidant and neuroprotectant properties, limit neurological damage following ischemic insults, such as stroke and trauma, and treat neurodegenerative diseases, such as Alzheimer's disease, Parkinson's disease and HIV dementia.
11. In fact:
- a. clinical trials, studies, or scientific research do not prove that CBD:
 - 1. prevents seizures;
 - 2. treats cancer;
 - 3. treats or prevents strokes, Alzheimer's disease, Parkinson's disease, and dementia; and
 - 4. may make chemotherapy more effective and increase cancer cell death without harming normal cells;
 - b. a U.S. government laboratory study has not shown that CBD may make chemotherapy more effective and increase cancer cell death without harming normal cells; and
 - c. the U.S. government has not stated that CBD is scientifically proven to have antioxidant and neuroprotectant properties, limit neurological damage following ischemic insults, such as stroke and trauma, and treat neurodegenerative diseases, such as Alzheimer's disease, Parkinson's disease and HIV dementia.
12. Therefore, the representations set forth in Paragraph 10 are false and misleading.

Complaint

Violations of Sections 5 and 12

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

By the Commission.

Complaint

Exhibit A

The screenshot displays the homepage of the CBD MEDS website. The header includes the site's name, social media icons, and a navigation menu with links to HOME, ABOUT, OUR PRODUCTS, LATEST NEWS, and CONTACT. The main content area features an article titled "What is CBD and what are its benefits?" by Lawrence, dated May 9, 2017, with 14,000 views and 0 comments. The article text states that research on the benefits of cannabidiol (CBD) is well-documented by the U.S. government via the NCI's National Center for Biotechnology Information and the U.S. National Library of Medicine. It lists six therapeutic properties of CBD: 1. Analgesic (Pain Relief), 2. Anti-Inflammatory, 3. Anxiolytic (Anxiety Relief), 4. Anti-Depressive, 5. Anti-Seizure, and 6. Anti-Nausea. Each property is followed by a link to a detailed article. To the right of the article is a sidebar with sections for "Recent Posts" (listing "What is CBD and what are its benefits?", "United States Patent for CBD", and "National Cancer Institute"), "Recent Comments" (listing "Lupinus Mites on National Cancer Institute (Brazil Studies on CBD)" and "Mike Wornatshaker on National Cancer Institute (Brazil Studies on CBD)"), and "Categories" (listing "Latest News"). Below the article is a "Submit a Comment" form with fields for Name, Email, and Website, and a "Submit Comment" button. The footer of the website shows the URL "https://cbdmeds.org/what-is-cbd-what-are-its-benefits/", the time "9:03:10 AM 4/17/2020", and the browser information "Google Chrome 81.0.4044.113" and "Windows 10 Pro 64-bit Build 18363".

What is CBD and what are its benefits?
By Lawrence | May 9, 2017 | 14,000 views | 0 comments

Research on the benefits of cannabidiol (CBD) is well-documented by the U.S. government via the NCI's National Center for Biotechnology Information and the U.S. National Library of Medicine. We have compiled six therapeutic properties of CBD with links below. Our government explains in great detail the scientific explanation for each of the following therapeutic properties of cannabidiol:

1. Analgesic (Pain Relief) - <https://www.ncbi.nlm.nih.gov/pubmed/11044222>
2. Anti-Inflammatory - <https://www.ncbi.nlm.nih.gov/pubmed/10011340>
3. Anxiolytic (Anxiety Relief) - <https://www.ncbi.nlm.nih.gov/pubmed/10571100>
4. Anti-Depressive - <https://www.ncbi.nlm.nih.gov/pubmed/17711000>
5. Anti-Seizure - <https://www.ncbi.nlm.nih.gov/pubmed/10402240>
6. Anti-Nausea - <https://www.ncbi.nlm.nih.gov/pubmed/10254200>

Submit a Comment
Your email address will not be published. Required fields are marked *

Comment *

Name *

Email *

Website

Submit Comment

Recent Posts

What is CBD and what are its benefits?
United States Patent for CBD
(Patent # 8,538,107)
National Cancer Institute
Clinical Studies on CBD

Recent Comments

Lupinus Mites on National Cancer Institute (Brazil Studies on CBD)
Mike Wornatshaker on National Cancer Institute (Brazil Studies on CBD)

Categories

Latest News

Free Shipping on Orders over \$100

<https://cbdmeds.org/what-is-cbd-what-are-its-benefits/>
9:03:10 AM 4/17/2020
Google Chrome 81.0.4044.113
Windows 10 Pro 64-bit Build 18363

Complaint

Exhibit B

(844) 888-HEMP



What is CBD and what are its benefits?

by Lawrence | Mar 9, 2017 | Latest News | 0 comments

Research on the benefits of cannabidiol (CBD) is well documented by the U.S. government via the NCBI (National Center for Biotechnology Information) and the U.S. National Library of Medicine. We have compiled six (6) therapeutic properties of CBD with links below. Our government explains in great detail the scientific explanation for each of the following therapeutic properties of cannabidiol:

1. Analgesic (Pain Relief) – <https://www.ncbi.nlm.nih.gov/pubmed/11164622>
2. Anti-Emetic (Nausea Relief) – <https://www.ncbi.nlm.nih.gov/pubmed/10575283>
3. Anti-Inflammatory – <https://www.ncbi.nlm.nih.gov/pubmed/10575283>
4. Anti-Psychotic – <https://www.ncbi.nlm.nih.gov/pubmed/22716160>
5. Anti-Seizure – <https://www.ncbi.nlm.nih.gov/pubmed/10863546>
6. Anti-Anxiety – <https://www.ncbi.nlm.nih.gov/pubmed/6285406>

Submit a Comment

Your email address will not be published. Required fields are marked *

Comment

Name *

Free Shipping on Orders over \$75!

Complaint

Exhibit C

"Made in California since 2013"

CBD MEDS™

HOME ABOUT OUR PRODUCTS LATEST NEWS CONTACT

Sign up for our monthly newsletters and receive promo codes for discounts on our CBD products.

SIGN UP

WHAT IS CBD AND WHAT ARE ITS BENEFITS?

Research on the benefits of cannabidiol (CBD) is well-documented by the U.S. government via the NCI (National Center for Biotechnology Information) and the U.S. National Library of Medicine. We have compiled six (6) therapeutic properties of CBD within its below. Our government explains in great detail the scientific justification for each of the following therapeutic properties of cannabidiol:

1. Analgesic (Pain Relief)
2. Anti-Emetic (Nausea Relief)
3. Anti-Inflammation
4. Anti-Psychotic
5. Anti-Seizure
6. Anti-Anxiety

My name is Lawrence Moses, and I am the founder of CBD MEDS™. I have always tried my best to dedicate a part of my life towards servitude, whenever and wherever possible. When I was introduced to the medicinal benefits of Cannabidiol (CBD) in 2013, I realized that the cannabis plant was presenting an opportunity for me to continue on that idealistic path.

For the last five years, we have been producing high-quality, whole plant enriched CBD extracts which contain a full spectrum of U.S. government patented cannabinoids. During that time, we developed our own CBD hemp strain using proprietary genetics drawn from across the world. We patented those genetics under the strain name GENESIS II™, and all of our products produced by that CBD hemp strain are all-natural and do not contain any herbicides, pesticides, chemical fertilizers, toxins, preservatives, GMO, or gluten.

It's my sincere hope that those seeking an alternative solution to synthetic medications may experience relief when using our CBD products. Based on the research conducted by the federal government, I am convinced that CBD and many other cannabinoids will one day prove to outperform many of the synthetic medications we've been consuming over the last 100 years.

May Love bless and in good faith!

Lawrence Moses



ALL ABOUT CBD

FAQ ABOUT CBD

Complaint



CANNABIDIOL & CANNABINOIDS

Cannabinoids are the primary chemical compounds produced by the cannabis plant. There are more than 80 identified cannabinoids. Two phytocannabinoids (THC) is the most well known cannabinoid, and is the ONLY psychoactive cannabinoid. Of the 60+ non-psychoactive cannabinoids, cannabidiol (CBD) is the most widely known.

[Read More](#)

GENESIS I vs. GENESIS II

GENESIS I™ and GENESIS II™ are whole plant, enriched CBD cannabis extracts which contain the entire range of U.S. Government patented cannabinoids. They were developed from proprietary genetics drawn from across the world. Classified as hemp and thus legal to ship to all 50 states, GENESIS I contains THC levels of 0.1% or less.

[Read More](#)

NATURAL OIL vs. GOLDEN OIL

Nature oil extracts from the medicinal and non-medicinal properties of the cannabis plant, which are its cannabinoids and terpenoids. Equivocally, which delivers proteins, waxes, and terpenoids. Extraction is limited to only contain the medicinal properties of the cannabis plant, which are its cannabinoids. CBD MEDS' only extracts golden oil.

[Read More](#)

G2 HEMP

G2 HEMP™ is the exclusive cultivation of the GENESIS I™ CBD hemp strain. GENESIS I™ is officially classified as "hemp" and ships to all 50 states. G2 HEMP™ complies with federal hemp law and the conditions set forth in Section 7606 of the Agricultural Act of 2018, aka the 2018 Farm Bill, which was passed by Congress and signed into law by the President.

[Read More](#)

THE DIFFERENCE BETWEEN CANNABIS, MARIJUANA, HEMP, GENESIS I, AND GENESIS II (SHORT VERSION)

Explaining the difference between cannabis, marijuana, hemp, GENESIS I and GENESIS II seems like it should be an easy task but the complexities of this wonderful and controversial plant can vary. Here is a concise, short version:

- Hemp and Marijuana are both cannabis and contain over 85 cannabinoids.
- Marijuana has more than 0.3% THC (the only cannabinoid that gets you "high").
- Hemp has less than 0.3% THC and is legal in all 50 states.
- CBD is a single, non-psychoactive cannabinoid and is found in both marijuana and hemp.
- GENESIS I and GENESIS II are whole plant, enriched cannabis extracts which contain a proprietary full spectrum of cannabinoids, specifically CBD.



THE DIFFERENCE BETWEEN CANNABIS, MARIJUANA, HEMP, GENESIS I, AND GENESIS II (LONG VERSION)

The more detailed exploration is that cannabis is the plant class for both hemp and marijuana, and has played a critical role in mankind's history and health for thousands of years. Ancient societies widely and wisely used cannabis for a variety of wellness and industrial applications.

Unfortunately, modern society carries a stigma about cannabis that dates further ancient societies. This stigma is clearly unwarranted, as even our own U.S. government is aware of the many benefits of cannabis. Foreign countries began to grow cannabis for industrial use during World War II. "Hemp for Victory" campaign⁽¹⁾ later, they even patented "cannabinoids as anxiolytics and neuroprotectants".⁽²⁾ After decades⁽³⁾ of research, specific potential for stroke, brain trauma, Alzheimer's and other conditions, mere but copy of the actual patent.

US0006630507B1

(12) **United States Patent**
Hampson et al.

(10) Patent No.: **US 6,630,507 B1**
(45) Date of Patent: **Oct. 7, 2003**

(54) **CANNABINOIDS AS ANTI-OXIDANTS AND NEUROPROTECTANTS**

OTHER PUBLICATIONS
Wardle et al., The Merck Index, Tenth Edition (1983) p.

THE DIFFERENCE OF WHERE 'HEMP' vs. 'MARIJUANA' COMES INTO PLAY UNDER FEDERAL LAW.

FEDERAL TRADE COMMISSION DECISIONS VOLUME 171

Complaint



In 2014, the US Farm Bill⁽¹⁾ officially classified cannabis plants containing a minimum of 0.3% THC as "industrial hemp" (and all other cannabis as "marijuana"). This means that 99.7% of the cannabinoids present in hemp will not get you high. The 2014 Farm Bill was landmark legislation and made it possible to cultivate hemp using modern agricultural procedures and to ship beneficial hemp products across state lines.

With recent advances in medical marijuana exploding across dozens of states, cannabidiol (CBD) is gaining global attention. Like THC, CBD is a single cannabinoid found among the 84+ other cannabinoids in cannabis. Unlike THC, CBD is non-psychoactive and is found in both hemp and marijuana.

Despite dozens of companies ignoring the law, the FDA has said that products labeled as "CBD" cannot be legally sold across state lines in the United States⁽⁴⁾. This is due to existing medical regulations and to quality concerns. The FDA recently tested 20 "CBD" products⁽²⁾ and found that nearly half of them contained zero CBD, most of the others had minuscule levels of CBD, and several contained toxic combinations.

⁽¹⁾ Farm Bill: Signed by President Obama, H.R. 1215, U.S. Department of Agriculture, 10/1/14

⁽²⁾ The United States of America as represented by the Department of Health and Human Services, "Cannabis oils as adulterants and misbrandings," 70 Fed. Reg. 5832-5837, 7/20/2005

⁽³⁾ United States Department of Agriculture, "The Farm Bill," USDA, United States Department of Agriculture, 1/3/2015, <http://www.usda.gov>, 25/01/2015

⁽⁴⁾ Lang, John, "FDA: Products Containing CBD Cannot Be Sold as Dietary or Health Products," Infomark Surveys, 20 May 2015, <http://www.infomark.com>, 20/05/2015

⁽⁵⁾ FDA, "2015 Warning Letters and Action Reports for Cannabis Oil," U.S. Department of Health and Human Services, U.S. Food and Drug Administration, 17 Aug. 2016, www.fda.gov, 23/08/2016

Latest News

What is CBD and what are its benefits?

Mar 9, 2017

Research on the benefits of cannabidiol (CBD) is well documented by the U.S. government via the NCI Division of Cancer Treatment and Diagnosis and the U.S. National Library of Medicine. We have compiled an (1) therapeutic properties of CBD with links below...

READ MORE

United States Patent on CBD (Patent # 863807)

Sep 5, 2016

Cannabidiol is an antioxidant and neuroprotectant - brought from the hemp's mouth another words, straight from our federal government! According to our own United States Federal Government, Cannabinoids such as CBD have been found to have antioxidant effects.

READ MORE

National Cancer Institutes' Clinical Studies on CBD

Feb 5, 2016

The United States Federal Government performed a laboratory study of cannabidiol (CBD) in human glioma cells showed that when given along with chemotherapy, CBD may make chemotherapy more effective and increase cancer cell death without harming normal cells.

READ MORE

'Cannabis and Cannabinoids' by the United States Federal Government



Let's help educate ourselves. The following information comes straight from our United States Federal Government and from our own website. Cancer.gov Please share so that all people can read about what our government is saying about cannabis as a treatment for cancer and other various chronic conditions. The information provided is very objective, as it is based on the results of clinical trials our government has conducted on mice and cells. Anyone posting this will most certainly be able to show their own conclusion from the evidence being presented. The full report can be read here <http://www.fda.gov/oc/ohrt/cannabis-cannabinoids-cancer-treatment-reports.pdf>

Highlights of 'Cannabis and Cannabinoids'

- 1) Studies in mice and rats have shown that cannabinoids may inhibit tumor growth by causing cell death, blocking cell growth, and blocking the development of blood vessels needed by tumors to grow. Laboratory and animal studies have shown that cannabinoids may be able to kill cancer cells while protecting normal cells.
- 2) A study in mice showed that cannabinoids may protect against inflammation of the colon and may have potential in reducing the risk of colon cancer, and possibly in its treatment.
- 3) A laboratory study of delta-9-THC in hepatocellular carcinoma liver cancer cells showed that it damaged or killed the cancer cells. The same study of delta-9-THC in mouse models of liver cancer showed that it had anti-tumor effects. Delta-9-THC has been shown to cause these effects by acting on molecules that may also be found in non-small cell lung cancer cells and breast cancer cells.
- 4) A laboratory study of cannabidiol (CBD) in estrogen receptor positive and estrogen receptor negative breast cancer cells showed that it caused cancer cell death while having little effect on normal breast cells. Studies in mouse models of metastatic breast cancer showed that cannabinoids may reduce the growth, number, and spread of tumors.
- 5) A laboratory study of cannabidiol (CBD) in human glioma cells showed that when given along with chemotherapy, CBD may make chemotherapy more effective and increase cancer cell death without harming normal cells. Studies in mouse models of cancer showed that CBD together with delta-9-THC may make chemotherapy such as temozolomide more effective.

Our Products

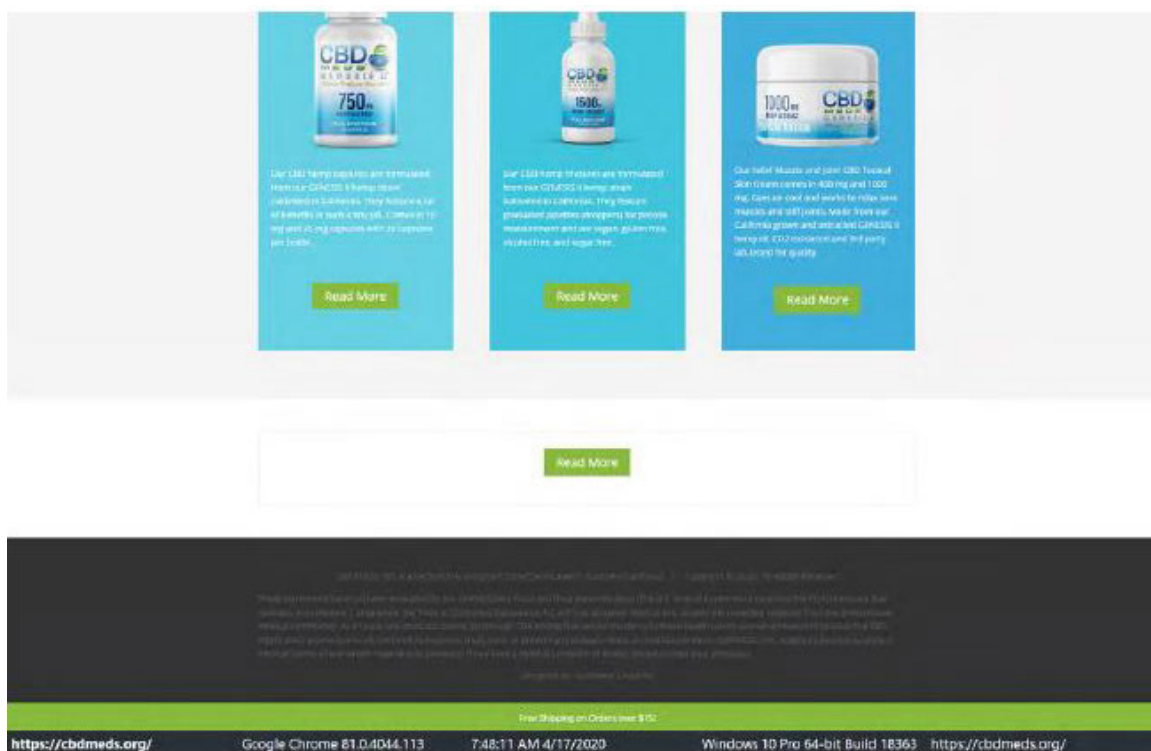
CAPSULES

DROPPERS

TOPICALS

Exhibit C
3

Complaint



Complaint

Exhibit D

The screenshot displays the G2 HEMP website. At the top, there is a navigation bar with links for HOME, ABOUT, PRODUCTS, LAB RESULTS, LATEST NEWS, and CONTACT. Below the navigation bar, a large banner features a family (a man, a woman, and a child) sitting together with a dog. The text on the banner reads: "Highly Concentrated CBD From The GENESIS II CBD Hemp Strain Made in America" with a "BUY NOW" button.

Below the banner, a section titled "WHAT IS CBD AND WHAT ARE ITS BENEFITS?" lists six benefits:

1. Anti-Emetic (Nausea Relief)
2. Anti-Inflammatory
3. Anti-Psychotic
4. Anti-Seizure
5. Anti-Anxiety

Below this list, there is a testimonial from Lawrence Moses, founder of G2 HEMP. The text of the testimonial is as follows:

My name is Lawrence Moses, and I am the founder of G2 HEMP™. I am a loving husband and father of five children. I have always dedicated part of my life's journey to helping people whenever possible, and the discovery of specific cannabinoids found in the industrial hemp plant has opened up an opportunity for me to continue on that idealistic path. I am devoted to producing high-quality, whole plant enriched hemp extracts which contain the entire range of U.S. Government patented cannabinoids. GENESIS II™ was developed from proprietary genetics drawn from across the world by CBD MEDS™, Inc. of Southern California. All of G2 HEMP's products are all-natural and DO NOT contain any herbicides, pesticides, chemical fertilizers, toxins, preservatives, GMO, or gluten. I sincerely pray that for those seeking an alternative solution to synthetic medications, that they may experience relief when using G2 HEMP's products or any hemp products alike produced by other trustworthy hemp companies. Based on my own research and the research conducted by others (including our U.S. government), I am convinced that GENESIS II and other comparable hemp strains will someday prove to outperform many of the synthetic medications we have been consuming for over the last 100 years.

May Love Bless!

Lawrence Moses

At the bottom of the page, there are two buttons: "ALL ABOUT CBD" and "FAQ ABOUT CBD". Below these buttons are two small images: one showing a chemical structure of CBD and the other showing a globe with the text "The BENEFITS of CBD Oil: Part 1".

Complaint



WHAT ARE CANNABINOIDS?

Cannabinoids are the primary chemical compounds produced by the cannabis plant. There are more than 100 identified cannabinoids, two hydrocarbonated (THC is the most well known) cannabinoids, and a third (CBD) polyphenolic cannabinoid out of the 100 monophenolic cannabinoids. Cannabidiol (CBD) is the most widely known.

READ MORE

WHAT IS GENESIS II?

GENESIS II is a whole plant, enriched hemp extract which contains the same range of U.S. Government's patented cannabinoids. GENESIS II was created using the proprietary genetics developed by CBD MEDS, Inc. in Southern California. Classified as hemp and thus legal to ship to all 50 states, GENESIS II contains THC levels of 1.2% or less.

READ MORE

NATURAL OIL vs. GOLDEN OIL

Natural oil contains both the medicinal and non-medicinal properties of the cannabis plant which are its cannabinoids plus natural terpenoids, which include, pinenes, waxes, and chlorophyll. Golden Oil is refined to only contain the medicinal properties of the cannabis plant, which are its cannabinoids. CBD MEDS only extracts golden oil.

READ MORE

WHAT IS G2 HEMP?

G2 HEMP is the exclusive retail delivery of the G2Hemp™ G2Hemp™ Hemp seeds. G2Hemp™ is officially certified as "hemp" and ships to all 50 states. G2 HEMP™ complies with federal hemp law and the provisions set forth in Section 7606 of the Agricultural Act of 2014, aka the Farm Bill, which was passed by Congress, and signed into law by the President.

READ MORE

THE DIFFERENCE BETWEEN CANNABIS, MARIJUANA, HEMP, GENESIS I, AND GENESIS II (SHORT VERSION)

Explaining the difference between cannabis, marijuana, hemp, cannabis I and cannabis II seems like it should be an easy task, but the complexities of this worded and controversial plant are such, there is a concise, short version.

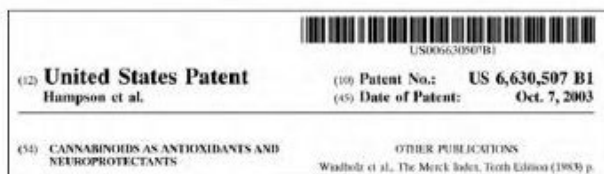
- Hemp and marijuana are both cannabis and contain over 100 cannabinoids.
- Marijuana has more than 0.3% THC (the only cannabinoid that gets you high).
- Hemp has less than 0.3% THC and is legal in all 50 states.
- CBD is a single, non-psychoactive cannabinoid and is found in both marijuana and hemp.
- GENESIS I and GENESIS II are whole plant, enriched cannabis extracts which contain a proprietary full spectrum of cannabinoids, specifically CBD.



THE DIFFERENCE BETWEEN CANNABIS, MARIJUANA, HEMP, GENESIS I, AND GENESIS II (LONG VERSION)

The most detailed explanation is that cannabis is the plant class for both hemp and marijuana, and has played a crucial role in mankind's industry and health for thousands of years. Ancient societies wisely and wisely used cannabis for a variety of wellness and industrial applications.

Unfortunately, modern society carried a stigma about cannabis that didn't border ancient societies. This stigma is clearly unimpaired, as even our own U.S. government's views of the many benefits of cannabis, has long encouraged farmers to grow cannabis for industrial use during World War II. "Hemp for Victory" campaign (15) (16). They were patented "cannabidiols as antioxidants and neuroprotectants". US Patent 6,600,000 (17) defines specific potential for stroke, brain trauma, Alzheimer's, and other conditions. Here is a copy of the actual patent:



THE DIFFERENCE OF WHERE 'HEMP' vs. 'MARIJUANA' COMES INTO PLAY UNDER FEDERAL LAW.



In 2014, the U.S. Farm Bill (18) officially classified cannabis plants containing a maximum of 0.3% THC as "industrial hemp" (and all other cannabis as "marijuana"). This means that 99.7% of the cannabinoids present in hemp will not get you high. The 2014 Farm Bill was landmark legislation and made it possible to cultivate hemp using modern agriculture processes and to ship hemp-based hemp products across state lines.

FEDERAL TRADE COMMISSION DECISIONS VOLUME 171

Complaint



With recent interest in medical marijuana and exploding across doctors of states, cannabidiol (CBD) has gained global attention. Like THC, CBD is a single cannabinoid found among the 100+ other cannabinoids in cannabis. Unlike THC, CBD is non-psychoactive and is found in both hemp and marijuana. Despite dozens of companies ignoring the law, the FDA has said that products labeled as "CBD" cannot be legally sold across state lines in the United States.⁽¹⁾ This is due to existing medical regulations and to quality concerns. The FDA recently tested 20 "CBD" products⁽²⁾ and found that nearly half of them contained zero CBD, most of the others had near meaningless levels of CBD, and several contained toxic contamination.

⁽¹⁾ *Reckley v. G2*, Directed by Raymond E. Lewis, named by Lee S. Shivers, U.S. Department of Agriculture, "G2."

⁽²⁾ The United States of America as represented by the Department of Health and Human Services, "Cannabinoids as antioxidants and neuroprotectants," *Open Access* 9:100381, 1 Oct. 2018.

⁽³⁾ United States Department of Agriculture, "The Farm Bill," USDA, United States Department of Agriculture, 2018, 12 July 2018, <http://www.usda.gov>.

⁽⁴⁾ *Lang, John*, "FDA: Product Containing CBD Cannot Be Sold as Dietary Supplement," *Natural Products Journal* 10:100381, 28 May 2015, <http://www.naturalproductsjournal.com>.

⁽⁵⁾ FDA, "FDA Warning Letters and Tied Issues for Cannabinoids," U.S. Department of Health and Human Services, U.S. Food and Drug Administration, 31 Aug. 2018, <http://www.fda.gov>.

Latest News

Benefits from CBD for Seniors

Oct 4, 2018

Getting old doesn't automatically mean hundreds of pills daily. New research on the effects of Cannabidiol (CBD) on the elderly population is promising and shows a promising future in the use of CBD oil to manage the effects of aging.

[READ MORE](#)

What is CBD and what are its benefits?

Mar 16, 2017

Research on the benefits of cannabidiol (CBD) is well documented by the U.S. government via the HHS (National Center for Biotechnology Information) and the U.S. National Library of Medicine. We have compiled the 100+ therapeutic properties of CBD with links below.

[READ MORE](#)

United States Patent on CBD (Patent # 9,620,507)

Apr 7, 2018

Cannabinoids as antioxidants and neuroprotectants – insight from the latest research. In other words, insight from our federal government. According to the United States Federal Government, Cannabinoids such as CBD have been found to have antioxidant and neuroprotective effects.

[READ MORE](#)

'Cannabis and Cannabinoids' by the United States Federal Government



Let's help educate ourselves! The following information comes straight from our United States federal government from one of its websites. *Cannabis and Health* shows us that all people can and should know about what our government is saying about cannabis as a treatment for cancer and other serious chronic conditions. The information provided is very objective, as it is based on the results of clinical trials our government has conducted on cancer and other chronic conditions. It will not only be able to draw their conclusions from the evidence being presented, the *U.S. National Cancer Institute* will also be able to help you learn more about the benefits of cannabis and cannabinoids.

Highlights of 'Cannabis and Cannabinoids'

- 1) Studies in mice and rats have shown that cannabinoids may inhibit tumor growth by slowing cell death, blocking cell growth, and blocking the development of blood vessels needed by tumors to grow. Laboratory and animal studies have shown that cannabinoids may be able to kill cancer cells while protecting normal cells.
- 2) A study in mice showed that cannabinoids may protect against inflammation of the colon and may have potential in reducing the risk of colorectal cancer, and possibly in its treatment.
- 3) A laboratory study of delta-9-THC in hepatocellular carcinoma liver cancer cells showed that it damaged or killed the cancer cells. The same study of delta-9-THC in prostate cancer cells showed that it had anti-cancer effects. Delta-9-THC has been shown to cause these effects by acting on molecules that may also be found in small cell lung cancer cells and breast cancer cells.
- 4) A laboratory study of cannabidiol (CBD) in estrogen receptor positive and estrogen receptor negative breast cancer cells showed that it caused cancer cell death while having little effect on normal breast cells. Studies in mouse models of metastatic breast cancer showed that cannabidiol may reduce the growth, number, and spread of tumors.
- 5) A laboratory study of cannabidiol (CBD) in human glioma cells showed that when given along with chemotherapy, CBD may make chemotherapy more effective and increase cancer cell death without harming normal cells. Studies in mouse models of cancer showed that CBD together with delta-9-THC may make chemotherapy such as temozolomide more effective.

Our Products

CAPSULES



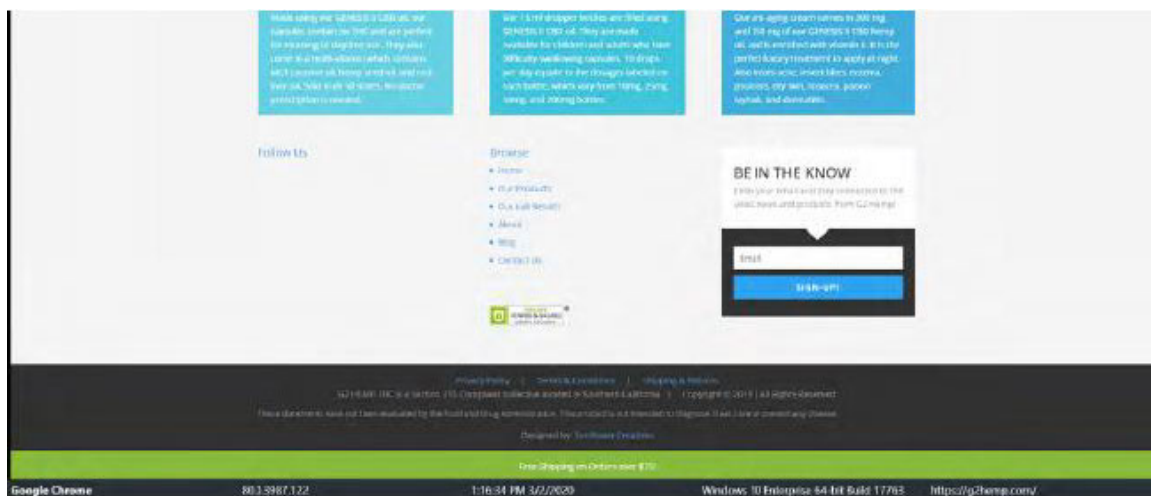
DROPPERS



CBD Creams



Complaint



FEDERAL TRADE COMMISSION DECISIONS VOLUME 171

Complaint

Exhibit E

The screenshot shows the homepage of the CBD Meds website. The header includes the tagline "Made in California since 2013" and social media icons. The main content area features a news article titled "United States Patent on CBD (Patent# 6630507)" dated September 7, 2019. The article discusses the patenting of cannabidiol (CBD) and its potential medical applications. A "Submit a Comment" form is visible below the article. The right sidebar contains sections for "Recent Posts" and "Recent Comments". The footer includes the website URL, date, and browser information.

United States Patent on CBD (Patent# 6630507)
By Lawrence J. Sep 7, 2019 | Latest News | 11 comments

Cannabidiol, or endocannabinoids and neuroprotectants – straight from the horses mouth. Another weeds, straight from our Native government.

According to our own United States Federal Government, Cannabinoids such as CBD have been found to have anticonvulsant and neuroprotectant properties. This new found property makes cannabinoids useful in the treatment of auto-immunity of isolation associated diseases, such as ischemic, age-related, inflammatory and autoimmune diseases. The cannabinoids are found to have particular application as neuroprotectants, for example in limiting neurological damage following ischemic insults, such as stroke and trauma, or in the treatment of neurodegenerative disorders, such as Alzheimer's disease, Parkinson's disease and HIV dementia. Psychoactive cannabinoids, such as tetrahydrocannabinol (THC), are particularly advantageous to use because they avoid the side effects associated with psychotropic cannabinoids such as tetrahydrocannabinol (THC).

Well don't believe us that our federal government took out a patent on CBD and other cannabinoids? Click the following link and please share this with any of your friends who may be skeptical about the positive medicinal benefits of medical cannabis:

<https://cannabidiol.com/patent-6630507/>

Submit a Comment
Your email address will not be published. Required fields are marked *

Comment *

Name *

Email *

Website *

Submit Comment

Recent Posts
What is CBD and what are its benefits?
United States Patent on CBD (Patent# 6630507)
National Cancer Institute: Link to Studies on CBD

Recent Comments
Lawrence J. Sep 7, 2019
National Cancer Institute: Link to Studies on CBD
National Cancer Institute: Link to Studies on CBD

Categories
Latest News

<https://cbdmeds.org/united-states-patent-on-cbd-patent-6630507/> 9:04:12 AM 4/17/2020
Google Chrome 81.0.4044.113 Windows 10 Pro 64-bit Build 18363

Complaint

Exhibit F

(844) 888-HEMP



United States Patent on CBD (Patent# 6630507)

by Lawrence | Sep 7, 2016 | Latest News | 0 comments

Cannabinoids as antioxidants and neuroprotectants – straight from the horse's mouth! Another words, straight from our federal government!!!

According to our own United States Federal Government, Cannabinoids such as CBD have been found to have antioxidant and neuroprotectant properties. This new found property makes cannabinoids useful in the treatment of wide variety of oxidation associated diseases, such as ischemic, age-related, inflammatory and autoimmune diseases. The cannabinoids are found to have particular application as neuroprotectants, for example in limiting neurological damage following ischemic insults, such as stroke and trauma, or in the treatment of neurodegenerative diseases, such as Alzheimer's disease, Parkinson's disease and HIV dementia. Nonpsychoactive cannabinoids, such as cannabidiol (CBD), are particularly advantageous to use because they avoid toxicity that is encountered with psychoactive cannabinoids such as Tetrahydrocannabinol (THC).

Still don't believe us that our federal government took out a patent on CBD and other cannabinoids? Click the following link and please share this with any of your friends who may be skeptical about the positive medicinal benefits of medical cannabis!

<http://patft.uspto.gov/netacgi/nph-Parser...>

Submit a Comment

Your email address will not be published. Required fields are marked *

Comment

Free Shipping on Orders over \$75!

Complaint

Exhibit G

(844) 888-HEMP



Benefits from CBD for Seniors

by cbdmedicines | Dec 4, 2018 | Latest News | 0 comments



Getting old doesn't automatically mean handfuls of pills daily. New research on the effects of Cannabidiol (CBD) on the elderly population is emerging and shows a promising future in the use of CBD oil to manage the effects of aging.

Natural Pain Relief

There are many remedies for pain relief, but there are also many side effects of pain relievers, such as organ damage. CBD oil can provide more natural pain relief. Clinical studies have shown cannabidiol (CBD) to be very effective in decreasing arthritis and nerve pain due to its anti-inflammatory properties.

Free Shipping on Orders over \$75!

Complaint

As you age, sleep becomes more elusive, possibly due to stress and anxiety or because various body pains may keep you from reaching deep sleep. CBD oil is thought to reduce both. Studies indicate that cannabidiol (CBD) may reduce the amount of time it takes you to fall asleep, and may also help you sleep more deeply for longer, which is important in staving off neurodegenerative diseases.

Cardiovascular Improvement

Heart disease is the predominant cause of death in the elderly. It therefore makes sense that you want to find a way to keep your cardiovascular system healthy. CBD oil can help to reduce stress and control blood pressure by relaxing the blood vessels. Its anti-inflammatory effects can help with heart diseases and may even help prevent strokes.

Learn About Genesis II CBD

Improves Bone Health

As you age, so do your bones, and they become more fragile than they once were; almost half of people over the age of 65 have reported arthritis diagnoses. Research is showing that CBD oil may help delay bone decay and prevent age-related bone disease. It can even help heal fractures and stimulate bone growth and collagen production.

Protects Against Alzheimers and Dementia

It may be a "senior moment," or it may be an indication of something more serious: the neurodegeneration that accompanies diseases such as Alzheimers or dementia. CBD oil may help prevent the onset of these diseases thanks to its neuroprotectant properties. Cannabidiol (CBD) may enhance the birth of new brain cells and assist the brain in repairing itself, which could help resist various types of dementia. It also plays a role in preventing nerve inflammation which may cause dementia.

Parkinson's Disease Prevention

Due to those neuroprotectant, anti-oxidant, and anti-inflammatory properties, CBD oil could play a role in managing the symptoms of and even preventing Parkinson's disease. The better sleep you get with cannabis helps delay age-related neurodegenerative diseases, and some people have indicated improvement of the symptoms of Parkinson's disease, including tremor and dyskinesias.

Relief from Glaucoma

Glaucoma is a common affliction amongst the elderly population, but the cannabidiol (CBD) and the other cannabinoids found in CBD oil could provide some relief and possibly even prevention, thanks to its promotion of neural health. Not only does glaucoma fall under the umbrella of neurodegenerative diseases for which CBD oil could help provide relief and even prevent, but its pain-relieving effects apply to your eyes, as well. There is even evidence that it could reduce

Complaint

intraocular pressure by as much as 25%.

<https://www.ncbi.nlm.nih.gov/pubmed/10920191>

https://www.cdc.gov/arthritis/data_statistics/arthritis-related-stats.htm

<https://www.zamnesia.com/blog-how-cannabis-can-improve-life-for-the-elderly-n1212>

<https://seniordirectory.com/articles/info/benefits-of-cbd-for-senior-citizens>

<https://echoconnection.org/5-ways-cannabinoids-can-help-elderly-community/>

<https://www.projectcbd.org/science/cannabis-pharmacology/cbd-and-parkinsons-disease>

<https://www.royalqueenseeds.com/blog-cbd-a-potential-therapeutic-for-cardiovascular-diseases-n958>

<https://heart.bmj.com/content/84/5/560>

BUY GENESIS II CBD NOW

Submit a Comment

Your email address will not be published. Required fields are marked *

Comment

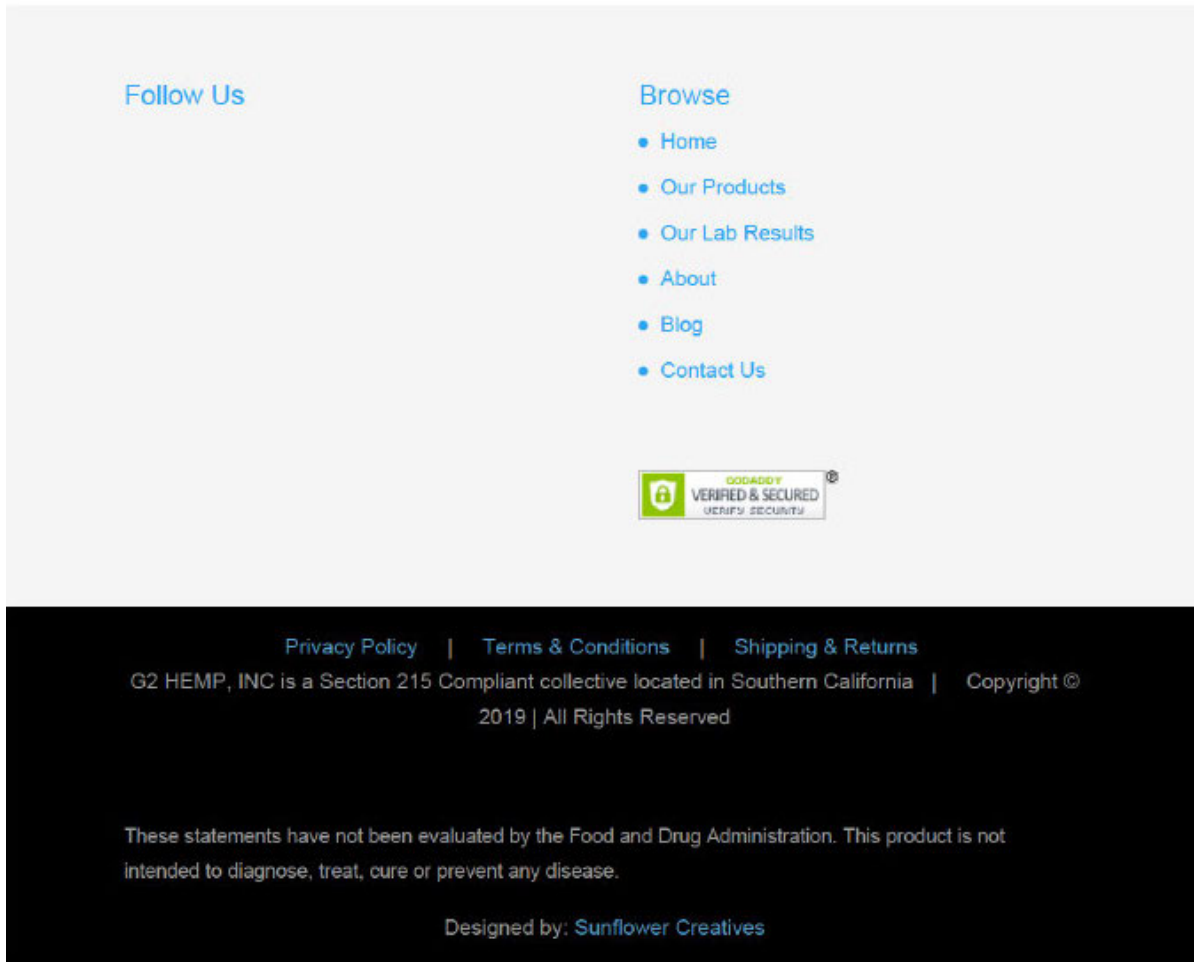
Name *

Email *

Website

Complaint

[Submit Comment](#)



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. 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 cmt., 7140(1). Thus, CBD Meds is organized to carry on business for its own profit or the profit of its members within the meaning of Section 4 of the FTC Act. 15 U.S.C. § 44. Its principal office or place of business is in Winchester, California 92596.
 - b. Respondent G2 Hemp, Inc. (“G2 Hemp”) is a California corporation. At times relevant to this Complaint, G2 Hemp operated a website that advertised and sold cannabidiol products. Its principal office or place of business is in Winchester, California 92596.
 - c. Respondent Lawrence Moses, also known as Lawrence D. Moses, Jr., is the owner and CEO of CBD Meds and G2 Hemp. Individually or in concert with others, he controlled or had the authority to control, or

Decision and Order

participated in the acts and practices of CBD Meds and G2 Hemp, including the acts and practices alleged in the Complaint. His principal office or place of business is the same as that of CBD Meds and G2 Hemp.

2. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondents, and the proceeding is in the public interest.

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”** means any Dietary Supplement, Food, or Drug, including but not limited to CBD Products.
- 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. 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.

Decision and Order

- 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 all of the Corporate Respondents and the Individual Respondent, individually, collectively, or in any combination.
 - 1. **“Corporate Respondents”** means CBD Meds, Inc., a corporation, and G2 Hemp, Inc., a corporation, and their successors and assigns.
 - 2. **“Individual Respondent”** means Lawrence Moses, a/k/a Lawrence D. Moses, Jr.

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. treats blood pressure conditions or gastrointestinal disorders; reduces seizures and convulsions; or reduces blood sugar levels; or
- B. cures, mitigates, or treats any disease, including but not limited to cancer, age-related bone disease, arthritis, diabetes, glaucoma, strokes, Alzheimer’s disease, multiple sclerosis, Parkinson’s disease, epilepsy, autism, post traumatic stress disorder, bipolar disorders, schizophrenia, psoriasis, or HIV dementia,

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 Section, 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 Section 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

Decision and Order

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 representation, other than representations covered under the Section 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, including that such product prevents artery blockage, dementia, seizures and convulsions, cancer, age-related bone disease, arthritis, blood pressure conditions, diabetes, gastrointestinal disorders, glaucoma, Alzheimer's disease, multiple sclerosis, Parkinson's disease, epilepsy, autism, post traumatic stress disorder, bipolar disorders, or schizophrenia, 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 Section, 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 Section 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.

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:

Decision and Order

- 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;
- 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 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

Decision and Order

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:

- A. that any Covered Product is scientifically proven to prevent seizures; treat cancer; treat or prevent strokes, Alzheimer's disease, Parkinson's disease, or HIV dementia; or make chemotherapy more effective and increase cancer cell death without harming normal cells;
- B. that the performance or benefits of any product are scientifically or clinically proven or otherwise established;
- C. the existence, contents, validity, results, conclusions, or interpretations of any test, study, or other research;
- D. that a U.S. government laboratory study showed that any Covered Product may make chemotherapy more effective and increase cancer cell death without harming normal cells; or
- E. that the U.S. government has stated that any Covered Product is scientifically proven to have antioxidant and neuroprotectant properties, limit neurological damage following ischemic insults, such as stroke and trauma, and treat neurodegenerative diseases, such as Alzheimer's disease, Parkinson's disease and HIV dementia.

V. FDA Approved Claims

IT IS FURTHER ORDERED that nothing in this Order prohibits Respondents, Respondents' officers, agents, employees, and attorneys, or 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 ("FDA"), or under any new drug application approved by the FDA; and
- B. for any product, making a representation that is specifically authorized for use in labeling for such product by regulations promulgated by the FDA 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.

Decision and Order

VI. Notices to Customers

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

- A. Respondents must identify all consumers who purchased the CBD Products on or after January 9, 2017 and through the Order's effective date ("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;
 - 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.
 - 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 their websites' landing pages. Such notice must link to a copy of the Order. 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 Order's effective date.

Decision and Order

- E. Respondents must report on their notification program under penalty of perjury:
1. Respondents must submit a report at the conclusion of the notification program summarizing their compliance, including the total number of notices sent or re-sent, the dates sent, and eligible customers identified.
 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.

VII. 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.
- B. For 20 years after the issuance date of this Order, the Individual Respondent for any business that such Respondent, individually or collectively with any other Respondents, is the majority owner or controls directly or indirectly, unless such business cannot violate the Order, 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 conduct related to the subject matter of the Order and all agents and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Provision titled Compliance Report 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.

VIII. Compliance Report 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:

Decision and Order

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, the 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 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, the 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.

Decision and Order

- 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 CBD Meds, Inc.

IX. 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 specified below. Specifically, Corporate Respondents and the 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 concerning the subject matter of the Order, whether received directly or indirectly, such as through a third party, and any response;
- D. a copy of each unique advertisement or other marketing material making a representation subject to this Order.
- E. 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

Decision and Order

2. all tests, studies, analysis, other research or other such evidence in Respondent's 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.
- F. for 5 years from the date received, copies of all subpoenas and other communications with law enforcement, if such communication relate to Respondents' compliance with this Order.
- G. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission.

X. Compliance Monitoring

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

Decision and Order

XI. 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 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**CLAIMS ABOUT PRODUCTS CONTAINING CBD**

In the Matter of CBD Meds, Inc., et al.

<Date>

<Name of customer>

<mailing address of customer
including zip code>

Subject: CBD Products sold by CBD Meds and G2 Hemp

Decision and Order

Dear <Name of customer>:

Our records show that you bought CBD products from CBD Meds and G2 Hemp. We are writing to tell you that the Federal Trade Commission, (FTC), the nation's consumer protection agency, has charged us with deceptive or false advertising.

The FTC brought a lawsuit against our companies for making misleading claims that our CBD products can effectively prevent, treat, or ease serious diseases or health conditions, including the following:

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.

To settle the FTC's lawsuit, we're contacting our customers to tell them that we don't have proof that our CBD products will effectively prevent, treat, or improve the serious diseases and health conditions listed above. In addition, the U.S. government has not validated those claims.

If you have other questions about this lawsuit, visit [add URL].

CBD oil 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 them with other medicines or at a high dose. Talk to your doctor before you take any treatments or stop any prescriptions. For more information about protecting yourself from bogus health product claims visit ftc.gov/health.

Sincerely,

[signature]

Lawrence Moses

CEO, CBD Meds, Inc. and G2 Hemp, Inc.

Concurring Statement

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:

CBD MEDS, INC. AND G2 HEMP, INC.

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]

ABOUT YOUR PURCHASE FROM CBD MEDS, INC. AND G2 HEMP, INC.

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

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

Concurring Statement

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 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

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>.

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>.

Concurring Statement

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 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

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).

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).

Concurring Statement

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.

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 CBD Meds, Inc., G2 Hemp, Inc. and Lawrence Moses, a/k/a Lawrence D. Moses, Jr., individually and as an officer of CBD Meds, Inc. and G2 Hemp, Inc. (“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) 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 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 Respondents sell or market, including CBD Products.

Part I 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.

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

Analysis to Aid Public Comment

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 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 Respondents rely to substantiate any claim covered by the 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 a test.

Part IV prohibits Respondents from misrepresenting: (1) that any covered product is scientifically proven to (a) prevent seizures; (b) treat cancer; (c) treat or prevent strokes, Alzheimer’s disease, Parkinson’s disease, or HIV dementia; or (d) make chemotherapy more effective and increase cancer cell death without harming normal cells; (2) that the performance or benefits of any covered product is scientifically or clinically proven; (3) the existence, contents, validity, results, conclusions, or interpretations of any test, study, or other research; (4) that a U.S. government study showed that any covered product makes chemotherapy more effective, or (5) that the U.S. government has stated that any covered product is scientifically proven to have antioxidant and neuroprotectant properties, limit neurological damage following ischemic insults, and treat neurodegenerative diseases;

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

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

Parts VII 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 VIII 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

Analysis to Aid Public Comment

compliance obligations. **Part IX** contains recordkeeping requirements for accounting records, personnel records, consumer correspondence, advertising and marketing materials, and claim substantiation, as well as all records necessary to demonstrate compliance with the order. **Part X** contains other requirements related to the Commission's monitoring of Respondents' order compliance. **Part XI** 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

EPICHOUSE, LLC
D/B/A
FIRST CLASS HERBALIST CBD,
COBALT SERUM,
COBALT ENHANCE,
AND
COBALT CREAM,
AND
JOHN LE

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

Docket No. C-4736; File No. 202 3094

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

This consent order addresses Epichouse, LLC’s advertising for products containing cannabidiol, including First Class Herbalist CBD oil. 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 their CBD Products, among other things: are safe for all users; treat pain better than prescription medicine like OxyContin; prevent and treat numerous serious health conditions, including age-related cognitive decline, cancer, chronic pain, diabetes, heart disease, hypertension, and migraines; and are scientifically proven to improve many serious health conditions. The consent order prohibits Respondents from making any representation about the efficacy 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 substantiates that the representation is true.

Participants

For the *Commission*: Keith Fentonmiller and Brady Williams.

For the *Respondents*: Karl Kronenberger, Kronenberger Rosenfeld, LLP.

COMPLAINT

The Federal Trade Commission, having reason to believe that Epichouse, LLC, a corporation, also doing business as First Class Herbalist CBD, Cobalt Serum, Cobalt Enhance, and Cobalt Cream, and John Le, individually and as an owner and officer of Epichouse, 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 Epichouse, LLC (“Epichouse”), also doing business as First Class Herbalist CBD, Cobalt Serum, Cobalt Enhance, and Cobalt Cream, is a Utah corporation with its principal place of business at 3370 Brock St., West Valley City, Utah 84119-2902.