Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of CBD Meds, Inc., Docket No. 202 3080

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 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 neurogenerative 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 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.