

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Joseph J. Simons, Chairman**
 Noah Joshua Phillips
 Rohit Chopra
 Rebecca Kelly Slaughter
 Christine S. Wilson

In the Matter of

CBD MEDS, INC., a corporation,

G2 HEMP, INC., a corporation, and

LAWRENCE MOSES, a/k/a
LAWRENCE D. MOSES, JR.,
 individually and as an officer of
 CBD MEDS, INC., and G2 HEMP, INC.

DOCKET NO.

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 cmt., 7140(1). 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:
 - 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

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!!!

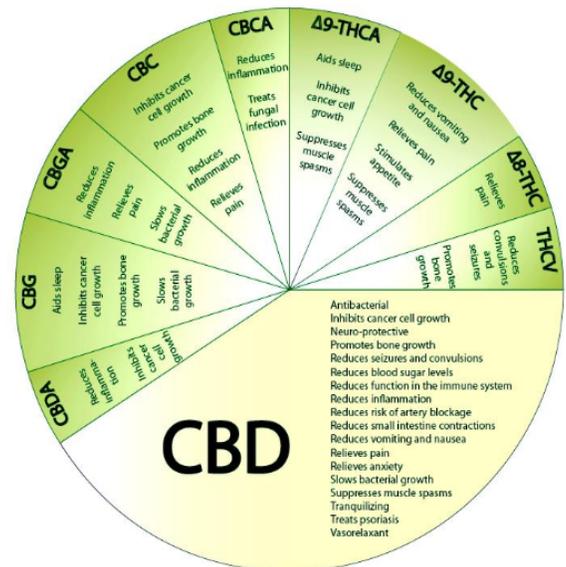
According to our own United States Federal Government, Cannabinoids such as CBD have been found to have antioxidant and neuroprotectant properties. . .The cannabinoids are found to have particular application as neuroprotectants, for example in limiting neurological damage following ischemic insults, 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):

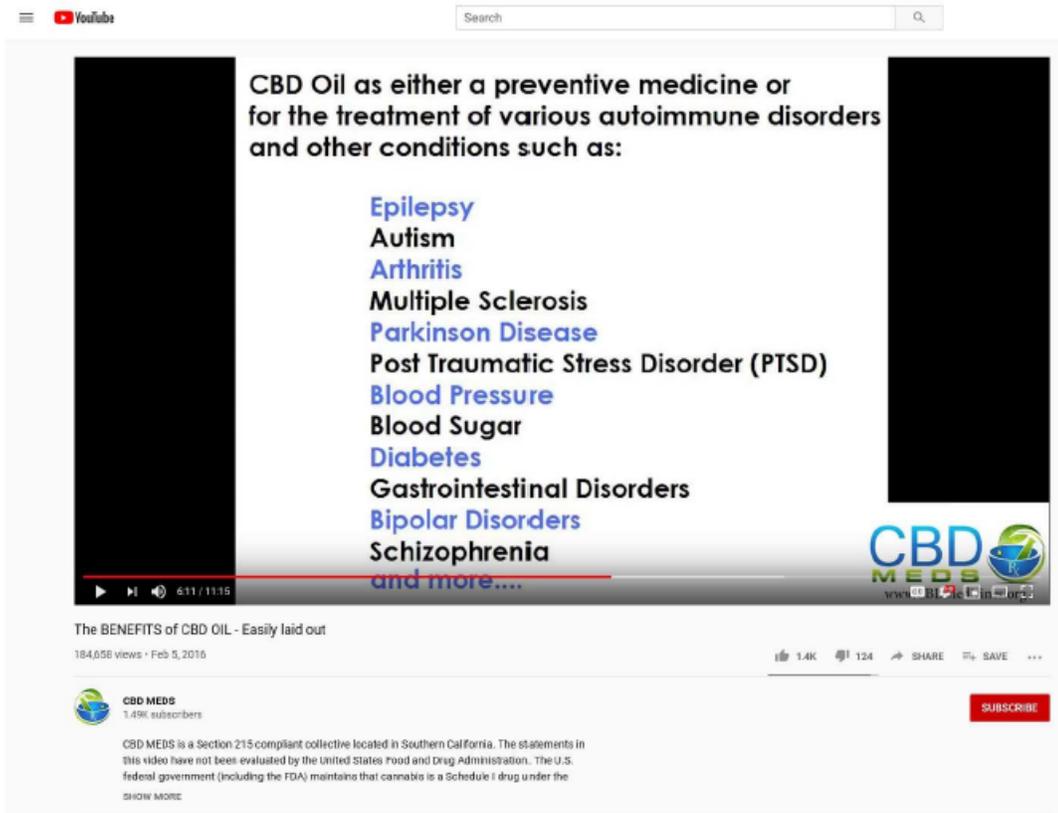
About our CBD Medicines

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 Genesis 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!



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



The screenshot shows a YouTube video player with a search bar at the top. The video content displays the following text:

CBD Oil as either a preventive medicine or for the treatment of various autoimmune disorders and other conditions such as:

- Epilepsy
- Autism
- Arthritis
- Multiple Sclerosis
- Parkinson Disease
- Post Traumatic Stress Disorder (PTSD)
- Blood Pressure
- Blood Sugar
- Diabetes
- Gastrointestinal Disorders
- Bipolar Disorders
- Schizophrenia
- and more....

The video player interface includes a play button, a progress bar at 6:11 / 11:15, and a video title: "The BENEFITS of CBD OIL - Easily laid out". Below the video, the channel name "CBD MEDS" is visible with 1.49K subscribers and a red "SUBSCRIBE" button. A disclaimer is also present: "CBD MEDS is a Section 215 compliant collective located in Southern California. The statements in this video have not been evaluated by the United States Food and Drug Administration. The U.S. federal government (including the FDA) maintains that cannabis is a Schedule I drug under the...".

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.

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:
 - 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.

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 _____ day of _____, 20__, has issued this Complaint against Respondents.

By the Commission.

April J. Tabor
Acting Secretary

SEAL: