UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION

In the Matter of)	
GLOBAL WORLD MEDIA CORPORATION, a corporation, and)))	DOCKET NO. C-3772
SEAN SHAYAN, individually and as an officer of the corporation.)))	
)	

<u>COMPLAINT</u>

The Federal Trade Commission, having reason to believe that Global World Media Corporation, a corporation, and Sean Shayan, individually and as an officer of the corporation ("respondents"), have violated provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Global World Media Corporation is a California corporation with its principal office or place of business at 1501 Main Street, Venice, California 90291.

2. Respondent Sean Shayan is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, or controls the policies, acts, or practices of the corporation, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of Global World Media Corporation.

3. Respondents have advertised, labeled, offered for sale, sold, and distributed products to the public, including Ecstacy or Herbal Ecstacy tablets ("Ecstacy"). The principal ingredient in Ecstacy is Ma-Huang, a botanical source of ephedrine alkaloids. Ecstacy also contains, among other things, the following ingredients: guarana, ginseng, ginkgo biloba, cola nut, and green tea extract. Ecstacy is a "food" and/or "drug," within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

4. 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.

5. Respondents have disseminated or have caused to be disseminated advertisements for Ecstacy, including but not necessarily limited to the attached Exhibits A through D, and oral representations as set forth in subparagraph E below. In addition, respondents have furnished the means and instrumentalities to third party distributors to disseminate advertising on the World Wide Web, including but not necessarily limited to the attached Exhibits E and F. These advertisements and oral representations contained the following statements:

A. ecstacy®

the world's first organic ecstacy (m.d.m.a.) alternative From Tokyo to South Africa to the United Kingdom to Argentina, with over 2 million units sold in over 15 countries, a product known as **herbal ecstacy**® is revolutionizing the way the world thinks of designer drugs. Using 9 exotic botanicals imported exclusively for this product, **herbal ecstacy**® has been carefully formulated to produce a considerable range of pleasurable effects. "Reported effects last 4-8 Hours:

- euphoria
- tingly skin sensations
- highly increased energy levels
- increased sexual sensations
- mood elevation

(a mild serotonin inhibitor)"

Dr. Janis Burton New Psychology Magazine Paris, France

"Developed by many of the same doctors who created the chemical version, **herbal ecstacy**® is 100% natural & absolutely safe. **herbal ecstacy**® contains no chemicals or other impurities. This product is synergistically blended in order to maximize benefits and eliminate any possible side effects."

Dr. Steven Jonson Tel Aviv, Israel (Exhibits A and B: <u>Penthouse</u>.)

- B. 2 dosages (10 tablets) \$19.99
 12 dosages (60 tablets) \$99.99
 18 dosages (90 tablets) \$149.99
 40 dosages (200 tablets) \$299.99
 (Exhibit A: <u>Penthouse.</u>)
- C. 2 doses (10 tablets) \$19.99

10 doses (50 tablets) \$69.99 20 doses (100 tablets) \$99.99 (Exhibit B: <u>Penthouse</u>.)

- D. toll free 24 hour 7 days 1 - 800 - 365 - 0000 (Exhibits A and B: <u>Penthouse</u>.)
- E. Consumers calling respondents' toll-free "800" number have been advised that if they fail to achieve the advertised euphoric, psychotropic, or sexual effects, they may ignore the dose suggested in advertising and labeling for the product (such as one (1) tablet every seventy-two (72) hours) and take more Ecstacy tablets, including doses of seven or eight tablets at one time.
- F. Send Check or money order to: Global World Media Corporation

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Distribution and wholesale inquiries **FAX (310) 581-4456** (Exhibits A and B: <u>Penthouse</u>.)

G. SPOKESWOMAN: Introducing Herbal Ecstacy.

[Various shots of young people dancing, playing drums, embracing.]

- SPOKESWOMAN: The world's first organic designer experience. A sacred blend of nine exotic herbs that produce a considerable range of pleasurable effects.
- [SUPERSCRIPT: Satisfaction Guaranteed]
- SPOKESWOMAN: Increased energy levels. Euphoric sensations with absolutely no side effects. . . . Herbal Ecstacy. The alternative. . . . (Exhibit C: <u>Nickelodeon</u>, 1995)
- H. MALE ANNCR.: Are you ready for this? Introducing the world's first organic ecstasy alternative.

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MALE ANNCR.: Users reported keeping a clear head and a sense of heightened perception all night long with no side effects what so ever. So try the alternative, try Herbal Ecstasy.

. . . .

MALE ANNCR.: The world's first organic ecstasy alternative (Exhibit D: Radio Commercial Transcript, 1995)

Herbal Ecstacy

. . . .

I.

"A fantastically light headed, tingly happy, happy buzz, with no side effects." Herb Garden Magazine, UK.

"The effects of herbal ecstacyTM beyond smart drug capacity include:

 \Box euphoric stimulation

 \Box highly increased energy levels

 \Box tingly skin sensations

 \Box enhanced sensory processing

 \Box increased sexual sensations

 \square mood elevations

. . . .

Dr. Janis Burton New Psychology Magazine (Exhibit E: World Wide Web Site, March 27, 1996)

J.

ecstacy

The Legal Alternative!

" A fantastically light headed, tingly happy-happy buzz, with no side effects." Herb Garden Magazine, U.K.

"The effects of herbal ecstacy beyond smart drug capacity include: euphoric stimulation highly increased energy levels tingly skin sensations enhanced sensory processing increased sexual sensations mood elevations"

Page 4 of 6

Dr. Janis Burton - New Psychology Magazine

. . . .

10 tab pack - sug. dose 5 tabs. (Exhibit F: World Wide Web Site, March 27, 1996)

6. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that use of Ecstacy in the doses recommended or in other reasonably foreseeable amounts is absolutely safe and will cause no side effects.

7 In truth and in fact, use of Ecstacy in the doses recommended or in other reasonably foreseeable amounts is not absolutely safe and may cause side effects. The Ma-Huang in Ecstacy is a botanical source of various chemicals including ephedrine alkaloids that can have dangerous effects on the central nervous system and heart. Therefore, the representation set forth in Paragraph 6 was, and is, false or misleading.

8. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representation set forth in Paragraph 6, at the time the representation was made.

9. In truth and in fact, respondents did not possess and rely upon a reasonable basis that the representation set forth in Paragraph 6, at the time the representation was made. Therefore, the representation set forth in Paragraph 8 was, and is, false or misleading.

10. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that Dr. Steven Jonson of Tel Aviv, Israel, provided an endorsement pertaining to the absolute safety and the lack of side effects of Ecstacy, and that the endorsement appearing in the advertisements for Ecstacy accurately reflects his actual opinions, findings, and beliefs.

11. In truth and in fact, Dr. Steven Jonson of Tel Aviv, Israel, did not provide an endorsement pertaining to the absolute safety and the lack of side effects of Ecstacy. Dr. Jonson is a fictitious person and, therefore, the endorsement appearing in the advertisements for Ecstacy does not accurately reflect the actual opinions, findings, or beliefs of Dr. Jonson.

12. In their advertising and sale of Ecstacy tablets, including in media with a substantial youth audience such as certain <u>Nickelodeon</u> and <u>MTV</u> cable programming stations, respondents have represented that Ecstacy tablets are a safe alternative to illegal drugs to produce euphoric, psychotropic, or sexual enhancement effects. Respondents have failed to disclose that use of Ecstacy tablets in the doses recommended or in other reasonably foreseeable amounts may present a significant health or safety risk, including but not limited to dangerous effects on the central nervous system and heart. These facts would be material to consumers in their purchase and use of Ecstacy tablets. This practice was, and is, a deceptive act or practice.

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 ninth day of October, 1997, has issued this complaint against respondents.

Donald S. Clark Secretary

SEAL:

[Exhibits A-F attached to paper copies of complaint, but not available in electronic form.]