

FTC Finalizes Deals with Six CBD Companies

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The FTC recently reached deals with six CBD companies after it issued formal complaints against them in December 2020 over concerns about deceptive practices.

The initial complaints (found here: [*In re Bionatrol Health, LLC*](#), [*In re Epichouse, LLC*](#), [*In re CBD Meds, Inc.*](#), [*In re Easybutter, LLC*](#), [*In re Reef Industries, Inc.*](#), and [*In re Steves Distributing, LLC*](#)) brought various counts against the companies, including allegedly making a wide range of claims about their ability to treat serious health conditions, including cancer, heart disease, hypertension, Alzheimer's disease, and other diseases. Some complaints also include deceptive pricing allegations. The FTC approved final consent orders resolving all the complaints. Those orders (found here: [*In re Bionatrol Health, LLC*](#), [*In re Epichouse, LLC*](#), [*In re CBD Meds, Inc.*](#), [*In re Easybutter, LLC*](#), [*In re Reef Industries, Inc.*](#), [*In re Steves Distributing, LLC*](#)) obligate the companies to take and

avoid various actions, including refraining from making misleading statements about the health benefits of CBD (including that such products prevent Alzheimer's disease, autoimmune diseases, arthritis, cancer, diabetes, heart disease, seizures, skin cancer or other diseases), refraining from deceptive pricing tactics, notifying customers of the FTC's lawsuit, and paying fines ranging from \$20,000 to \$85,000.

These orders come on the heels of two years of relatively aggressive enforcement efforts against CBD companies by both the FDA (which we wrote about [here](#)) and the FTC. The FDA has already written two more warning letters to CBD companies in 2021, which you can find [here](#). As shown on that same page, the FDA sent 21 letters to CBD companies in 2020 and, in 2019, sent another 22 letters. Sometimes these letters were jointly signed by the FTC, and the FTC has sent other letters to CBD companies over the past years (such as those discussed [here](#)). While the FDA continues to consider further regulations governing more widespread use of CBD products, these orders and letters will continue to act as *de facto* guidance for CBD companies.

Dorsey will continue to monitor the FTC's and FDA's actions in this area.