

**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**

**STEVES DISTRIBUTING, LLC, a limited liability  
company, d/b/a STEVE'S GOODS, and**

**STEVEN TAYLOR SCHULTHEIS,**

**DOCKET NO.**

**The Federal Trade Commission, having reason to believe that  
limited liability company and Steven Taylor Schultheis individually an  
owner of**

## **Respondents' Marketing of CBD and CBG Products**

4. Cannabidiol ("CBD") and cannabigerol ("CBG") are non-psychoactive cannabinoids, naturally occurring in, and that can be extracted from, the hemp plant, *cannabis sativa*. CBGs are a minor cannabinoid and precursor molecule of CBD and THC. Respondents have manufactured, labeled, advertised, promoted, offered for sale, sold, and distributed products containing CBD ("CBD Products") and products containing CBG ("CBG Products") that are intended for human use. These CBD Products and CBG Products are "food" and/or "drugs," within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

5. Steves sells a variety of CBD Products and CBG Products, including but not limited to tinctures, gummies, capsules, topical balms, suppositories, and coffee. Consumers can purchase Steves' CBD Products and CBG Products from Respondents by ordering them through Respondents' website at stevesgoods.com, by telephone, or at a brick and mortar retail store located at 1264 S. Hover Street, Longmont, Colorado 80501.

6. According to the product labels and Steves' website, dosages vary. For example, Steves' website advertises edible CBD gummies containing 10 mg of CBD. One dosage could range from 10 mg to 50 mg, depending on a variety of factors, including the user's weight.

7. Respondents promoted CBD Products and CBG Products through a variety of means, including through their website, stevesgoods.com, and through social media platforms such as Twitter.

8. Schultheis has been directly involved in the promotion and advertising of the Company's CBD and CBG Products. Schultheis appears in the Company's promotional and social media content relating to CBD and/or CBG, and is frequently quoted in press articles about the Company and the CBD and/or CBG industries.

## **Claims about CBD Products**

9. Respondents have disseminated or have caused to be disseminated advertisements for CBD Products, including but not necessarily limited to the attached Exhibits A through F. These advertisements have or had the following statements:

A. Steve's Goods (@stevesgoods)

### **Endocannabinoid System**

The human endocannabinoid system (ECS) is a network of receptors spread through-out our entire body that control some of our most vital life functions, including our immune system, memory, appetite, sleep pattern, mood, and pain sensation.

Disorders CBD assists with

CTE



. . .

#StevesGoodies  
StevesGoods.com

[Exhibit C, @stevesgoods, Twitter

In addition, suppository CBD is ideal for users with digestive issues, nausea, or dietary issues including diabetes.

[Exhibit E, <https://stevesgoods.com/cbd-edibles-vs-cbd-suppositories>, retrieved on Feb. 6, 2020.]

F. CBD HEMP OIL TINCTURES

. . .

**CBD Oil by Steve's Goods**

. . .

As far as benefits, studies have shown that CBD may be useful in helping with pain, inflammation, anxiety, cancer, neuro-disorders, and other health issues all

It's been found in research [hyperlink], by the US National Institute [sic] of Health, to inhibit the growth of colon cancer, and has positive effects on

- a. have antibacterial properties;
- b. prevent or reduce the risk of artery blockage, heart attacks, heart disease, and stroke;
- c. reduce blood sugar levels;
- d. promote bone growth;
- e. prevent or reduce the risk of nerve damage;
- f. prevent or reduce the risk of seizures and convulsions;
- g. effectively treat or mitigate Alzheimer’s disease, amyotrophic lateral sclerosis, anal fissures, asthma, cancer, chronic inflammation, chronic pain, chronic traumatic encephalopathy, Crohn’s disease, depression, diabetes, epilepsy, fibromyalgia, glioblastoma, hemorrhoids, hypertension, irritable bowel syndrome (“IBS”), migraines, multiple sclerosis, neurological disorders, osteoporosis, Parkinson’s disease, post-traumatic stress disorder (“PTSD”), psoriasis, rheumatoid arthritis, and seizures; and
- h. treat or mitigate diseases and health conditions as effectively as most over-the-counter medications and are effective alternatives to prescription medications.

12. The representations set forth in Paragraph 11 are false or misleading, or were not substantiated at the time the representations were made.

**Count II**  
**False or Unsubstantiated Efficacy Claims Regarding CBG Products**

13. In connection with the advertising, promotion, offering for sale, sale, or distribution of CBG Con of d(ons).c4 (a)-7fo10 (f)3 (uo )-10 d (i)-2 (s)r( )TJ0 Tc 0 Tw [(ne)4 (] Tw [r)-7 (e)2 (ng)10 -a [(ne)4



16. In fact, studies or scientific research do not prove that CBD Products effectively treat or mitigate anxiety, cancer, inflammation, neurological disorders, and pain. Therefore, the representations set forth in Paragraph 15 are false or misleading.

**Count IV**  
**False Establishment Claims Regarding CBG Products**

17. In connection with the advertising, promotion, offering for sale, sale, or distribution of CBG Products, Respondents have represented, directly or indirectly, expressly or by implication, that studies or scientific research point 5C(b) tfa(eat5-3.9 C(r)-7Bim)JTJ0 Tc 0 Tw8.9633 0 Td(G)Tj0.72 0 Td()