

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

COMMISSIONERS: **Rebecca Kelly Slaughter, Acting Chair**
 Noah Joshua Phillips
 Rohit Chopra
 Christine S. Wilson

In the Matter of

**EPICHOUSE, LLC, a corporation, also d/b/a
FIRST CLASS HERBALIST CBD, COBALT
SERUM, COBALT ENHANCE, and COBALT
CREAM, and**

**JOHN LE, individually and as an owner and officer of
EPICHOUSE, LLC.**

DOCKET NO. C-4736

COMPLAINT

The Federal Trade Commission, having reason to believe that Epichouse, LLC, a corporation, also doing business as First Class Herbalist CBD, Cobalt Serum, Cobalt Enhance, and Cobalt Cream, and John Le, individually and as an owner and officer of Epichouse, LLC (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 Epichouse, LLC (“Epichouse”), also doing business as First Class Herbalist CBD, Cobalt Serum, Cobalt Enhance, and Cobalt Cream, is a Utah corporation with its principal place of business at 3370 Brock St., West Valley City, Utah 84119-2902.
2. Respondent John Le is the sole owner and officer of Epichouse. Individually or in concert with others, he controlled or had the authority to control, or participated in the acts and practices alleged in this complaint. He resides in Midvale, Utah.
3. The acts and practices of Respondents alleged in this complaint have been in or affecting commerce, as “commerce” as defined in Section 4 of the Federal Trade Commission Act.

Respondents' Marketing of CBD Products

4. Cannabidiol (“CBD”) is a substance naturally occurring in, and that can be extracted from, the hemp plant, *cannabis sativa*. Respondents advertised, promoted, offered for sale, sold, and distributed products containing CBD (“CBD Products”) that are intended for human use. These CBD Products are “food” and/or “drugs,” within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

5. Through the website firstclassherbalistcbd.com, Respondents sold CBD Products in the form of oils, coffee, and edible “gummies,” and as a topical cream. Respondents sold their CBD Products to consumers throughout the United States under some or all of the following names: “CBD Oil;” “CBD Hemp Oil Drops;” “Herbalist Oils CBD Hemp Oil Drops;” “Pure Herbal CBD Hemp Oil Drops;” “CBD Coffee;” “CBD Gummies;” “Pure Herbal CBD Gummies;” “Full Spectrum CBD;” “CBD Pain Rub;” “Herbalist Oils CBD Pain Rub;” “CBD + Turmeric Drops;” “Pure Isolate CBD;” and “100% Pure CBD Oil.” Respondents charged consumers \$39.99 to \$79.95 for their CBD Products.

6. From approximately September 2019 through April 2020, Respondents disseminated or caused to be disseminated advertisements for CBD Products, including but not necessarily limited to the attached Exhibits A through E. Respondents promoted CBD Products through a variety of means, including through their website firstclassherbalistcbd.com. These advertisements contained the following statements and depictions:

A. CBD Oil:



###

NATURAL, FAST RELIEF

Your results with CBD Hemp Oil Drops will improve with continued use. CBD is 100% non-habit forming and is completely safe. It can be taken daily, has NO psychoactive properties, and will not harm you in any way. Plus, your satisfaction is 100% guaranteed.

###

THE SCIENCE OF CBD (CANNABIDOIL) [sic]

...CBD Oil has been medically proven to positively regulate your ECS [endocannabinoid system] affecting issues such as anxiety, insomnia, chronic pain, hypertension and even cardiovascular issues.

...
Psychological Benefits: CBD is commonly used to address anxiety, and for patients who suffer through the misery of insomnia, studies suggest that CBD may help with both falling asleep and staying asleep....

[Exhibit A (www.firstclassherbalistcbd.com, identified by Respondents as EPIC00674)].

B. CBD + Turmeric Oil:

The screenshot shows a website for 'TURMERIC CBD'. At the top, there is a navigation bar with the logo, the text 'Get My Free Bottle! The Leading CBD Product in the USA', and a yellow 'RUSH MY ORDER' button. Below this, the main content area is split into two columns. The left column features a product advertisement for 'CBD + TURMERIC ADVANCED NATURAL PAIN RELIEF'. The ad includes the text 'START YOUR DAY RIGHT & FEEL GREAT', 'The Most Powerful & Potent CBD With Anti Inflammatory', and a list of benefits: 'Reduces Pain & Chronic Aches', 'Natural Anti Inflammatory', 'Enhances Focus & Clarity', 'Promotes Better Energy', and '100% Pure CBD Oil'. There are also several circular seals: '100% PURE CBD OIL', '100% GUARANTEE 100%', '100% NATURAL INGREDIENTS', and 'MADE IN USA'. A small image of the product bottle is shown. The right column is titled 'STEP 1 - TELL US WHERE TO SEND YOUR BOTTLE' and contains a form with the following fields: 'First Name' and 'Last Name' (with sub-fields 'First Name*' and 'Last Name*'), 'Address' (with sub-field 'Address*'), 'City/Territory' (with sub-field 'City*'), 'Country' (with a dropdown 'Select Country') and 'State/Province' (with a dropdown 'Select State'), 'Zip/Post Code' (with sub-field 'Zip Code*'), 'Mobile Phone' (with sub-field 'Mobile Phone*') and 'E-mail Address' (with sub-field 'Email Address*'). A yellow 'RUSH MY ORDER' button is at the bottom of the form. To the right of the form is a photograph of a smiling female doctor in a white coat with a stethoscope, holding a green cannabis leaf.

###

NATURAL, FAST RELIEF

Your results with CBD + Turmeric Drops will improve with continued use. CBD is 100% non-habit forming. It can be taken daily, has NO psychoactive properties. Plus, your satisfaction is 100% guaranteed.

###

THE SCIENCE OF CBD (CANNABIDOIL) [sic]

CBD Oil has been shown to positively regulate your ECS addressing issues such as anxiety, insomnia, chronic pain, and inflammation. Here is what the ECS system is known to do:

- **Body:** Stimulates an anti-inflammatory response which helps reduce all forms of chronic aches and pains. . . .
- **Brain:** Helps positively regulate mood patterns which help reduce anxiety and stress. It also promotes better sleep cycles and in some cases may offer a safe remedy for depression and bipolar disorders.
- **Age:** Inflammation is a natural killer responsible for all sorts of disease such as diabetes, heart disease, cancer, and more. . . .

[Exhibit B (www.firstclassherbalistcbd.com, identified by Respondents as EPIC00682)].

C. CBD Coffee Products:

Due to extremely high resale demand, there is limited supply of CBD Coffee in stock as of [redacted]

Got My Free Bag!
CBD Coffee in USA

RUSH MY ORDER

CBD Coffee!

POWERFUL NATURAL PAIN RELIEF

"The Safest, Non-Addictive and Most Effective CBD Coffee is NOW Available to the Public!"

- Powerful Pain Relief
- Relieve Anxiety & Depression
- Improve Focus & Memory
- Natural Energy Boost!
- Does not Show on Drug Test

STEP 1 - TELL US WHERE TO SEND YOUR BAG

First Name: _____ Last Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Country: _____
Phone Number: _____
Email Address: _____

RUSH MY ORDER

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###

CBD Oil Coffee works WITH your body to ELIMINATE YOUR PAIN FROM WITHIN. And it goes to work quickly. After over 20,000 clinical studies, it has been proven over and over again... arthritis pain... eliminated....

THAT'S WHY CBD CAN REVERSE THOUSANDS OF AILMENTS, INCLUDING:

- Joint Pain
- Arthritis
- Autoimmune Disorder
- Diabetes
- Multiple Forms Of Cancer
- High Blood Pressure
- Prostate
- Alzheimer's
- Depression And Bipolar Disorder
- Age Related Cognitive Decline
- Migraines And Headaches
- Cardiovascular Issues
- Crohn's And Colitis
- Endocrine Disorders
- Inflammation
- Nausea
- Multiple Sclerosis
- Neuropathic Pain
- Neurodegeneration
- Parkinson's
- Rheumatism
- Chronic Stress And Fatigue
- Spinal Cord Injury
- Stroke
- Obesity
- Skin Conditions Like Psoriasis & Adult Acne
- Schizophrenia
- And much, much more...

1. The National Cancer Institute Believes CBD May "reduce the spread of some cancer cells."
 2. The American Journal of Physiology says "CBD induces a substantial in vivo cardioprotective effect from ischemia" (coronary heart disease)
 3. Journal of Translational Psychiatry calls CBD a "completely new mechanism in the treatment of schizophrenia."

###

NATURAL, FAST RELIEF

Your results with CBD Coffee will improve with continued use. CBD is 100% non-habit forming and is completely safe. It can be taken daily, has NO psychoactive properties, and will not harm you in any way. Plus, your satisfaction is 100% guaranteed.

###

THE SCIENCE OF CBD (CANNABIDOIL) [sic]

... CBD Oil has been medically proven to positively regulate your ECS addressing issues such as anxiety, insomnia, chronic pain, hypertension, and even cardiovascular issues.

- **Physical Benefits:** Stimulates an anti-inflammatory response which helps reduce all forms of chronic aches and pains. . . .
- **Psychological Benefits:** Helps positively regulate mood patterns which help reduce anxiety and stress. It also promotes better sleep cycles and in some cases may offer a safe remedy for depression and bipolar disorders.
- **Neurological Benefits:** Our CBD Oil's positive impact on the neural system helps reduce age-related cognitive decline. It also helps support focus, alertness & memory recall while reducing the frequency of migraines and headaches.

###



★★★★★ Pam C.

I have 2 herniated discs in my lower back, and was on oxycontin for 7 years. CBD Coffee has completely replaced my need for prescription painkillers. Why aren't more people talking about this??

[Exhibit C (www.firstclassherbalistcbd.com, identified by Respondents as EPIC00662)].

D. CBD Pain Rub Products:

The screenshot displays the website for CBD Pain Rub. At the top, there is a navigation bar with the logo, the text "Get My Free Bottle! The **Labors** Pain Rub Product in the USA", and a yellow "RUSH MY ORDER" button. The main content area features a large heading "CBD PAIN RUB! ADVANCED NATURAL PAIN RELIEF" and a sub-heading "The Most Powerful and Potent Hemp Pain Rub You Can Get!". Below this, a list of benefits includes: "Reduces Pain & Chronic Aches", "Relieve Anxiety & Stress", "Enhances Your Mood", "Promotes Better Sleep", and "100% Pure CBD Oil". A product image shows a jar of CBD Pain Rub next to a cannabis plant. To the right, a "STEP 1 - TELL US WHERE TO SEND YOUR BOTTLE" form is visible, containing fields for First Name, Last Name, Address, City, Country, State/Province, Zip/Post Code, Mobile Phone, and E-mail Address. A yellow "RUSH MY ORDER" button is positioned below the form. On the far right, a woman in a white lab coat with a stethoscope is shown holding a cannabis plant.

...Another study also indicated that when used topically, CBD could lower pain and inflammation due to arthritis. . . .

###

THE SCIENCE OF
CBD (CANNABIDOIL) [sic]

... CBD Rub has been shown to positively regulate your ECS addressing issues such as anxiety, insomnia, chronic pain, and inflammation. Here is what the ECS system is known to do:

- **Body:** Stimulates an anti-inflammatory response which helps reduce all forms of chronic aches and pains. . . .
- **Brain:** Helps positively regulate mood patters which help reduce anxiety and stress. It also promotes better sleep cycles and in some cases may offer a safe remedy for depression and bipolar disorders.
- **Age:** Inflammation is a natural killer responsible for all sorts of disease such as diabetes, heart disease, cancer, and more....

[Exhibit D (www.firstclassherbalistcbd.com, identified by Respondents as EPIC00680)].

E. CBD Gummy Products:

The image shows a promotional banner for CBD Gummies. On the left, the text reads: "Get CBD The Easy Way... **CBD GUMMIES!** POWERFUL & NATURAL Safe, Non-Habit Forming, Effective and Made with Pure CBD!". Below this, there are several bullet points: "Support Discomfort with Relief", "Feel Calm, Relaxed & Happy", "Support Natural Sleep", and "Powerful Relief Without The High!". There are also several award seals, including "100% PURE CBD", "100% GUARANTEE", and "MADE IN USA". A small jar of CBD Gummies is shown at the bottom left. On the right side of the banner, there is a form titled "STEP 1 - TELL US WHERE TO SEND YOUR JAR". The form includes fields for "First Name", "Last Name", "Address", "Country", "State/Province", "Zip Code", "Phone Number", and "Email Address". A yellow "RUSH MY ORDER" button is located below the form. To the right of the form is a photograph of a smiling woman with her arms crossed, standing next to a cannabis plant. The top of the banner features the "CBD" logo and the text "Get My Free Jar! The #1 CBD Product in the USA" and another "RUSH MY ORDER" button.

###

THE SCIENCE OF
CBD (CANNABIDOIL) [sic]

CBD Oil has been shown to positively regulate your ECS addressing issues such as anxiety, insomnia, chronic pain and inflammation. Here is what the ECS

system is known to do:

- **Body:** Stimulates an anti-inflammatory response which helps reduce all forms of chronic aches and pains. . . .
- **Brain:** Helps positively regulate mood patters which help reduce anxiety and stress. It also promotes better sleep cycles and in some cases may offer a safe remedy for depression and bipolar disorders.
- **Age:** Inflammation is a natural killer responsible for all sorts of disease such as diabetes, heart disease, cancer, and more....

[Exhibit E (www.firstclassherbalistcbd.com, identified by Respondents as EPIC00667)].

7. Respondents have not conducted any studies demonstrating that their CBD Products cure, treat, alleviate, or prevent diseases or health conditions. There are no competent and reliable human clinical studies in the scientific literature to substantiate that these products or their ingredients cure, treat, alleviate, or prevent the diseases or health conditions mentioned in the advertising excerpts set forth in Paragraph 6.

Count I False or Unsubstantiated Efficacy Claims

8. In connection with the advertising, promotion, offering for sale, sale, or distribution of CBD Products, including through the means described in Paragraph 6 of this Complaint, Respondents have represented, directly or indirectly, expressly or by implication, that CBD Products:

- A. treat, alleviate, or cure age-related cognitive decline; chronic pain, including neuropathic pain, pain from spinal cord injuries, and pain from diseases like arthritis; adult acne; Alzheimer's disease; arthritis; autoimmune disorder; bipolar disorder; cancer; colitis; Crohn's disease; depression; diabetes; endocrine disorders; heart disease; high blood pressure; migraines; multiple sclerosis; neurodegeneration; obesity; Parkinson's disease; prostate problems; psoriasis; rheumatism; schizophrenia; and stroke;
- B. prevent age-related cognitive decline, cancer, chronic pain, diabetes, heart disease, hypertension, and migraines;
- C. can replace the need for prescription painkillers like oxycontin; and
- D. are safe for all consumers.

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, promotion, offering for sale, sale, or distribution of CBD Products, including through the means described in Paragraph 6 of this Complaint, Respondents have represented, directly or indirectly, expressly or by implication, that studies or scientific research prove that CBD Products:

- A. improve alertness, focus, and memory recall;
- B. treat, alleviate, or cure age-related cognitive decline; anxiety; bipolar disorder; cancer; chronic pain, including arthritis pain; depression; diabetes; heart disease; high blood pressure; inflammation; insomnia; and migraines; and
- C. prevent age-related cognitive decline; anxiety; chronic pain, including arthritis pain; cancer; diabetes; heart disease; hypertension; inflammation; insomnia; and migraines.

11. In fact, studies or scientific research do not prove that their CBD Products:

- A. improve alertness, focus, and memory recall;
- B. treat, alleviate, or cure age-related cognitive decline; anxiety; bipolar disorder; cancer; chronic pain, including arthritis pain; depression; diabetes; heart disease; high blood pressure; inflammation; insomnia; and migraines; and
- C. prevent age-related cognitive decline; anxiety; chronic pain, including arthritis pain; cancer; diabetes; heart disease; hypertension; inflammation; insomnia; and migraines.

Therefore, the representations set forth in Paragraph 10 are false or misleading.

Violations of Section 5 and 12

12. 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 2nd day of February, 2021, has issued this Complaint against Respondents.

By the Commission.



April J. Tabor
Secretary

SEAL: