

Serena Viswanathan Associate Director Division of Advertising Practices United States of America FEDERAL TRADE COMMISSION Washington, D.C. 20580

April 4, 2022

CEASE AND DESIST DEMAND

VIA EMAIL TO support@extractlabs.com Craig Henderson, CEO Extract Labs, Inc. 1399 Horizon Ave. Lafayette, CO 80026

Re: Unsubstantiated claims for Coronavirus prevention or treatment

Dear Mr. Henderson:

This is to advise you that FTC staff has reviewed your website at <u>https://www.extractlabs.com/</u> in March 2022. We also reviewed your social media websites at <u>https://www.facebook.com/1extractlabs/, https://www.instagram.com/extractlabs/, https://www.instagram.com/extractlabs, where you direct consumers to your website, <u>https://www.extractlabs.com/</u>, to purchase CBD products. We have determined that you are unlawfully advertising that certain products treat or prevent Coronavirus Disease 2019 (COVID-19).</u>

Some examples of Coronavirus prevention or cure claims on your websites include:

• On your website at https://www.extractlabs.com/product/immune-support-cbga-cbda-tincture/, where consumers can purchase your Immune Support CBGa CBDa Tincture, you state:

"The first tincture of its kind – contains a 1:1:1:1 ratio of CBGa, CBDa, CBG, and CBD. A blend of raw hemp extracts yields a totally natural tincture, rich in rare cannabinoids....

Our Immune Support Tincture is the first product of its kind. Most tinctures on the market will only have trace amounts of CBGa and CBDa as heat from the manufacturing process converts these molecules to CBG and CBD. Being a totally verticle [sic] company, our scientists were able to develop a proprietary method for processing these delicate cannabinoids and formulate them into a tincture without converting them. The final result of their hard work – a tincture that is rich in CBGa,

CBDa, CBG, and CBD. Extract Labs is proud to be the first to bring a cannabinoid blend of this caliber to market.

CBGa and CBDa have become the subject of a recent study on how cannabinoids interact with Covid-19. The researchers found that two cannabinoid acids commonly found in hemp, cannabigerolic acid, or CBGA, and cannabidiolic acid, also known as CBDA, can bind to the spike protein of SARS-CoV-2, the virus that causes Covid-19. By binding to the spike protein, the compounds can prevent the virus from entering cells and causing infection, potentially offering new avenues to prevent and treat the disease."

• On your website at <u>https://www.extractlabs.com/cbd-guides/what-is-cbga-and-what-is-cbda/</u>, you state:

"What is CBDa and what is CBGa?

CBGa and CBDa have become the subject of a recent study on how cannabinoids interact with Covid-19. The researchers found that two cannabinoid acids commonly found in hemp, cannabigerolic acid, or CBGA, and cannabidiolic acid, also known as CBDA, can bind to the spike protein of SARS-CoV-2, the virus that causes Covid-19. By binding to the spike protein, the compounds can prevent the virus from entering cells and causing infection, potentially offering new avenues to prevent and treat the disease....

Our Immune Support Tincture is the first product of its kind. Extracted from Colorado-grown hemp, this Tincture is rich in CBGa, CBDa, and CBD. Most tinctures on the market will only have trace amounts of CBGa and CBDa as heat from the manufacturing process converts these molecules to CBG and CBD. With a proprietary method for processing these delicate cannabinoids and an innovative way to formulate them into a tincture without converting them, Extract Labs is changing the game. The final result of our hard work – a tincture that is rich in CBGa, CBDa, and CBD. Extract Labs is proud to be the first to bring a cannabinoid blend of this caliber to market."

• On your website at https://www.extractlabs.com/cbd-industry/cbd-for-coronavirus/, you state:

"CBD for Coronavirus?

As we continue to see outbreaks of the novel coronavirus surging, many are waiting and hoping for treatments to be developed that might treat, cure or prevent the potentially deadly disease. In a surprising turn of events, cannabis is on the list of potential treatments.

> While researchers are exploring many different possibilities in combating COVID-19, some researchers are looking into whether cannabis or cannabis derived CBD might offer benefits for those suffering from severe forms of this infection....

WHAT THE SCIENCE SAYS

Now new evidence is adding support to the theory that cannabis derived CBD may help those suffering from the severe lung inflammation that occurs in more serious cases of COVID-19. The study from researchers at Augusta University in Georgia suggests that CBD may positively impact ARDS or acute respiratory distress syndrome – a dangerous symptom in COVID-19 caused by an overactive inflammatory response. This is sometimes referred to as a 'cytokine storm'....

But CBD may be able to help treat this dangerous symptom of COVID-19. The researchers suggest CBD may be able to help by reducing pro-inflammatory cytokine production, fighting off the storm. By reducing specific cytokines such as interleukin (IL)-6, IL-1b, and IL-17, we may be able to bring down the inflammation and thus end the respiratory distress and damage. And the results of these researchers' experiments supported this theory....

Researchers on the study say that CBD could play an immunotherapeutic role in treating severe respiratory viral infections like COVID-19, based on the present findings.

'The current data support the notion that the anti-inflammatory function of CBD may reduce cytokine storm and mitigate the effects of exaggerated inflammation' they explain. They add that 'considering all potential regulatory effects of CBD as well as the vast distribution of endocannabinoid system in the body, it is plausible that CBD may be used as a therapeutic candidate in the treatment of various inflammatory conditions including COVID-19 and other virus-induced ARDS.'...

While we may have to wait for more research before this is being used as an active treatment for COVID-19, this study gives us good reason to hope that CBD might eventually be harnessed to help fight ARDS. It also adds to the chorus of researchers and cannabis advocates suggesting that we look further into cannabis and its potential to fight this deadly disease."

• In a January 25, 2022 Facebook post, you state:

"Our Founder & CEO, Craig Henderson, was interviewed by Good Day Chicago this morning to talk about the exciting new research published by OSU. Watch as Craig talks about what CBGa and CBDa can do in the battle against Covid!

https://www.fox32chicago.com/video/1027126."

This post includes a link to a video on the Fox32 Chicago website. In the video, a reporter states: "There are two scientific papers that published this month that have added to a growing body of evidence that a cannabis compound, CBD, may prevent and actually fight COVID-19 infections. But how does this actually work? So here to explain is Craig Henderson, he is with Extract Labs out of Colorado...." Then Craig Henderson states: "Two weeks ago, Oregon State University released a study, they did a study on CBDa and CBGa... It's CBDa, the acid molecule, and CBGa, the acid version of CBG, that seems to work as a cell entry inhibitor for viruses. Not only does it help prevent viruses from entering the cell, but it also stops replication inside the body.... We were able to launch our product with 500 milligrams each of CBDa and CBGa.... It's a tincture... You put it underneath your tongue for 10 seconds, swallow the rest..."

While Mr. Henderson speaks in the video, the chyron displays several different captions, including, "CAN CANNIBIS COMPOUNDS PREVENT COVID INFECTION?"

Directly underneath the video is the text: "Can cannabis compounds be effective in preventing COVID infection? Craig Henderson, CEO of Extract Labs, talks about new research that shows a popular non-psychoactive cannabis compound could help prevent COVID-19 infections."

The Fox32 Chicago video described above is also embedded on your website at <u>https://www.extractlabs.com/press/good-day-chicago-interview/</u>.

• In January 14, 2022 posts on your Instagram accounts, you state:

"CBGa + CBDa is here!

The first tincture of its kind - with a 1:1:1:1 ratio of #CBGa, #CBDa, #CBD, and CBG. Packed with 500mg of each #cannabinoid, with 2000mg of CO2-extracted #AmericanHemp per bottle. We have been overwhelmed with requests for this product in light of the recent study suggesting that CBGa and CBDa can help to treat and prevent Covid. Luckily, our scientists have been hard at work developing both cannabinoids, and our #Tincture was just about ready to go anyways!

Preorder is open now, with orders shipping on or before January 28th! Click the link in our bio to shop now and get your order reserved."

You published a substantially similar post to your Facebook account on January 14, 2022, that also invited consumers to "Read more here" and provided a link to <u>https://www.extractlabs.com/cbd-guides/what-is-cbga-and-what-is-cbda/</u>, the page on your website titled "What is CBDa and what is CBGa?" described above.

It is unlawful under the FTC Act, 15 U.S.C. § 41 *et seq.*, to advertise that a product can prevent, treat, or cure human disease unless you possess competent and reliable scientific evidence substantiating that the claims are true at the time they are made. For COVID-19, no such study is currently known to exist for the products identified above. Thus, any coronavirus-related prevention or treatment claims regarding such products are not supported by competent and reliable scientific evidence. You must immediately cease and desist making all such claims.

You are also advised to review all other claims for your products and immediately cease and desist claims that are not supported by competent and reliable scientific evidence.

Violations of the FTC Act may result in legal action seeking a Federal District Court injunction. In addition, pursuant to the COVID-19 Consumer Protection Act, Section 1401, Division FF, of the Consolidated Appropriations Act, 2021, P.L. 116-260, marketers who make deceptive claims about the treatment, cure, prevention, or mitigation of COVID-19 are subject to a civil penalty of up to \$46,517 per violation and may be required to pay refunds to consumers or provide other relief pursuant to Section 19(b) of the FTC Act, 15 U.S.C. § 57b(b).

Within 48 hours, please send a message to Assistant Director Richard Cleland via electronic mail at <u>rcleland@ftc.gov</u> certifying that you have ceased making unsubstantiated claims for the products identified above. If you have any questions regarding compliance with the FTC Act, please contact Mr. Cleland at 202-326-3088.

Very truly yours,

Serena Viswanathan Associate Director Division of Advertising Practices

cc: Facebook and Instagram via email to consumerpolicy@fb.com