

In the Matter of Bee-Sweet, Inc.

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Jeffrey A. Babener, principal attorney in the Portland, Oregon, law firm Babener & Associates, and editor of www.mlmllegal.com, represents many of the leading direct selling companies in the United States and abroad.

In the Matter of Bee-Sweet, Inc.

Case: In the Matter of Bee-Sweet, Inc. (1995)

Subject Category: Consent Order

Agency Involved: Federal Trade Commission

Complaint Synopsis: The Federal Trade Commission brought alleged that Bee-Sweet made representations about its product's effectiveness that were unsupported by reliable and competent scientific evidence. Specifically, Bee-Sweet stated in advertisements that its bee pollen products could treat allergies, arthritis, anorexia, obesity, fatigue, arteriosclerosis, anemia, lack of sexual stamina, back pain, digestive disorders, and pulse irregularities.

Consent Details: The Consent Agreement with Bee-Sweet prohibits the company from claiming that any of its products containing bee pollen are effective in the cure or mitigation of the ailments claimed in the complaint. The company was also prohibited from misrepresenting tests or studies validating the efficacy of the product's claims. Additionally, BeeSweet has to mail a copy of the Consent Order to purchasers of their pollen products within the last 12 months. Benny Morgan, President of Bee-Sweet was also required to notify the FTC of any changes in his employment status for 7 years following the consent order.

Practical Importance to Business of MLM/Direct Sales/Direct Selling/Network Marketing/Party Plan/Multilevel Marketing: The FTC will prosecute product efficacy claims that, in its opinion, are unsubstantiated by reliable and competent scientific evidence.

In the Matter of Bee-Sweet, Inc., 119 F.T.C. 57, Docket C-3550 (1995): The Proposed Consent Agreement with Bee-Sweet would prohibit the company from claiming that any of its products containing bee pollen is effective in the cure or mitigation of allergies, arthritis, anorexia, obesity, fatigue, and a host of other ailments. The company is also prohibited from misrepresenting that tests or studies validate the efficacy of the product's claims.

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[Federal Register: November 8, 1994]

FEDERAL TRADE COMMISSION [File No. 902-3304]

Bee-Sweet, Inc., et al.; Proposed Consent Agreement With Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would prohibit, among other things, a North Carolina corporation and its officer from representing that bee pollen products are effective as a cure or in mitigating certain conditions and physical ailments, and from misrepresenting the existence, contents, validity, results, conclusions, or interpretations of any test or study.

DATES: Comments must be received on or before January 9, 1995.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT: Ronald Waldman, FTC/New York Regional, 150 William S., Suite 1300, New York, N.Y. 10038. (212) 264-1242.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the following consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Agreement Containing Consent Order to Cease and Desist In the Matter of: Bee-Sweet, Inc., a corporation; and Benny G. Morgan, individually and as an officer and director of said corporation.

The Federal Trade Commission having initiated an investigation of certain acts and practices of Bee-Sweet, Inc., a corporation, and Benny G. Morgan, individually and as an officer of said corporation, hereinafter sometimes referred to as proposed respondents; and it now appearing that proposed respondents are willing to enter into an agreement containing an order to cease and desist from the acts and practices being investigated.

It is hereby agreed by and between proposed respondents, and their attorney, and counsel for the Federal Trade Commission that:

1. Proposed respondent Bee-Sweet, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of North Carolina, with its office or principal place of business located at 10370 North, NC Highway 150, Clemmons, North Carolina 27012.
2. Proposed respondent Benny G. Morgan is an officer of said corporation. Individually and in concert with others, he formulates, directs, and controls the acts and practices of corporate respondent. Respondent Benny G. Morgan's business address is 10370 North, NC Highway 150, Clemmons, North Carolina 27012.
3. Proposed respondents admit all the jurisdictional facts set forth in the draft of complaint here attached.
4. Proposed respondents waive:
 - (a) Any further procedural steps;
 - (b) The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law; and
 - (c) All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.
5. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the attached draft complaint, will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify the proposed respondents, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding.
6. This agreement is for settlement purposes only and does not constitute an admission by proposed respondents of facts, other than jurisdictional facts, or of violations of law as alleged in the draft of complaint here attached.
7. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Sec. 2.34 of the Commission's Rules, the Commission may, without further notice to proposed respondents: (1) issue its complaint corresponding in form and

substance with the attached draft of complaint and its decision containing the following order to cease and desist in disposition of the proceeding; and (2) make information public in respect thereto. When so entered, the order to cease and desist shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery by the U.S. Postal Service of the complaint and decision containing the agreed-to order to respondents' addresses as stated in this agreement shall constitute service. Proposed respondents waive any right they might have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation, or interpretation not contained in the order or in the agreement may be used to vary or contradict the terms of the order.

8. Proposed respondents have read the proposed complaint and order contemplated hereby. They understand that once the order has been issued, they will be required to file one or more compliance reports showing that they have fully complied with the order. Proposed respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the order after it becomes final.

Order

Definitions

For purposes of this order, the following definitions shall apply:

A. "Bee pollen product" shall mean any product intended for human consumption or use consisting in whole or in part of bee pollen and/or bee propolis in any form.

B. "Competent and reliable scientific evidence" shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

I

It is ordered that respondents Bee-Sweet, Inc., a corporation, its successors and assigns, and its officer, Benny G. Morgan, individually and as officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, packaging, advertising, promotion, offering for sale, sale, or distribution of any bee pollen product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that:

A. Consumption of any bee pollen product is effective in the cure or mitigation of: (1) Allergies, (2) arthritis, (3) anorexia, (4) obesity, (5) fatigue, (6) arteriosclerosis, (7)

anemia, (8) lack of sexual stamina, (9) back pain, (10) digestive disorders, (11) pulse irregularities, (12) acne, (13) bleeding, (14) burns, (15) colds, (16) sore throats, (17) tonsillitis, (18) ulcers, or (19) urinary infections.

B. Any bee pollen product is an effective antibiotic for human use.

II

It is further ordered that respondents Bee-Sweet, Inc., a corporation, its successors and assigns, and its officer, Benny G. Morgan, individually and as officer of said corporation, subsidiary, division, or other device, in connection with manufacturing, labeling, packaging, advertising, promotion, offering for sale, sale, or distribution of any product or service for human consumption or use in or affecting commerce, as "commerce" is defined in Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, that any such product or service for human consumption will have any effect on a user's health or physical condition, unless at the time of making such representation respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

III

It is further ordered that respondents Bee-Sweet, Inc., a corporation, its successors and assigns, and its officer, Benny G. Morgan, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, packaging, advertising, promotion, offering for sale, sale, or distribution of any product or service for human consumption or use in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, to existence, contents, validity, results, conclusions, or interpretations of any test or study.

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