

CARU NEWS

For Immediate Release

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NETFX INC. WORKS WITH CARU TO ADDRESS CHILDREN'S PRIVACY ON WEBSITE

New York, NY – August 17, 2005 – The Children's Advertising Review Unit of the Council of Better Business Bureaus (CARU), the children's advertising industry's self-regulatory forum, is pleased to announce that **Netfx, Inc.** has modified its Website to protect the online privacy of children.

Teenspot Website, www.teenspot.com, came to CARU's attention as part of a review of past CARU Website cases for compliance with CARU's *Self-Regulatory Guidelines for Children's Advertising*. The Teenspot Website offers a variety of activities, including chat rooms, message boards, reviews of music and television shows, and sweepstakes. CARU conducted an inquiry with Teenspot's predecessor, [www.teenhub](http://www.teenhub.com) in January 2001.

CARU's concern with Teenspot.com was that the site, which may be attractive to children under 13 years of age, failed to use a session cookie or other mechanism to help prevent underage children from entering false information to gain access.

In response to CARU's concerns, NetFX Media, Inc. stated that it had never marketed or knowingly promoted TeenSpot.com to children under the age of 13, nor has it encouraged such users to register for an account. The advertiser committed to add a temporary cookie preventing children from re-registering with a falsified older age.

CARU appreciates NetFX's response to its concerns regarding the implementation of a tracking mechanism, and its willingness to make modifications.

CARU's inquiry was conducted under NAD/NARB/CARU Procedures for Voluntary Self-Regulation of National Advertising. Details of the inquiry, CARU's decision and the advertiser's response will be included in the next NAD/CARU Case Report. Members of the press or general public who wish to see a copy of the decision should email lbean@narc.bbb.org.

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The National Advertising Review Council (NARC) was formed in 1971 by the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), the American Advertising Federation, Inc. (AAF), and the Council of Better Business Bureaus, Inc. (CBBB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation. NARC is the body that establishes the policies and procedures for the CBBB's National Advertising Division (NAD), the Children's Advertising Review Unit (CARU), and the National Advertising Review Board (NARB).

NAD and CARU are the investigative arms of the advertising industry's voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media, including the Internet. The National Advertising Review Board (NARB), the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate those cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children's advertising industry, while NAD/NARB's sole source of funding is derived from membership fees paid to the Council of Better Business Bureaus.