

CARU[®] NEWS

Immediate Release

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FUNIMATION PARTICIPATES IN CARU PROCESS *CARU Details Privacy Concerns, Company Voluntarily Modifies Website*

New York, NY – March 20, 2006 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that FUNimation Entertainment modify a Website promoted to children under 13 years of age to better protect the privacy of its targeted audience.

CARU, the children’s advertising industry’s self-regulatory forum, noted in its decision that the company, at the outset of the CARU inquiry, voluntarily brought the Website, www.mydadtherockstar.net, into compliance with CARU’s Self-Regulatory Guidelines (*Guidelines*) for Children’s Advertising and the Children’s Online Privacy Protection Act (COPPA).

The Website came to CARU’s attention through its routine monitoring program. A print advertisement for the children’s television program “My Dad the Rock Star,” promoting the “My Dad the Rock Star – Dad’s Debut” DVD and the Website appeared in the October 2005 issue of Nickelodeon magazine. This advertisement contained the address for the Website.

CARU’s inquiry focused on three areas of concern:

- The link to the Rock Star privacy policy was not prominent on its homepage or in places where personal information was collected.
- While the Rock Star Website is directed to children under 13 and must therefore obtain prior parental consent before allowing any information collection on the Website, the operator did not do so.
- The Website contained hyperlinks to other Websites that were inappropriate for young children.

“When personal information will be publicly posted so as to enable other visitors to communicate directly with a child online, or when the child will be able otherwise to communicate directly with others, the company must obtain prior verifiable parental consent,” the decision states.

FUNimation, in its response to CARU’s inquiry, said it created a team, including representatives of its marketing, legal and Web design departments, which developed a plan to bring the Website into compliance. The company said that it modified its privacy policy accordance with COPPA. Further, the company said that it no longer collects information from children and that it removed the hyperlinks to sites that may be viewed as inappropriate for children under 13.

“FUNimation Entertainment applauds CARU’s efforts and policies in regards to the regulation of advertising directed towards children, and we thank CARU for bringing this concern to our attention. At FUNimation Entertainment, we are focused on providing the best in quality entertainment for children and young adults, and we fully support CARU’s mission to protect one of our target audiences,” the company said.

CARU’s inquiry was conducted under NAD/CARU/NARB Procedures for Voluntary Self-Regulation of National Advertising and resolved within 60 business days. Details of the inquiry, CARU’s decision and the advertiser’s response will be included in the next NAD/CARU Case Report.

For a copy of the decision or for press inquiries, please contact Linda Bean, Director of Communications, 212-705-0129.

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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) and Children’s Advertising Review Unit (CARU), as well as for 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. 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/NARC/NARB’s sole source of funding is derived from membership fees paid to the CBBB. For more information about advertising self regulation, please visit www.narcpartners.org.