

CARU® NEWS

Immediate Release

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MGA, MATTEL UTILIZE CARU FORUM

CARU Finds Support for Several MGA Claims, Recommends Certain Modifications

New York, NY – May 11, 2006 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that MGA Entertainment, maker of the “Bratz Babyz” and “Ponyz” toys, modify advertising to clearly indicate which toys are included with each initial purchase and disclose the toys’ capabilities. CARU found that MGA properly substantiated other claims at issue.

CARU, the children’s advertising industry’s self-regulatory forum, reviewed a television commercial that featured both the “Bratz Babyz” dolls and the “Ponyz” dolls, pursuant to a challenge from Mattel, Inc., a competing toymaker.

The commercial depicts both the Ponyz and the Bratz Babyz dolls interacting with the Ponyz. CARU’s inquiry focused on the ability of the dolls to grasp and hold objects, the depiction of human assistance in play, the depiction of items included with the initial purchase and packaging.

Following its review of the evidence, CARU determined that MGA provided substantiation for its packaging claims. CARU further determined that MGA adequately disclosed during the commercials that the toys move only with the assistance of human hands.

However, CARU recommended MGA modify advertising that depicted the Bratz Babyz holding objects in their hands, to clearly disclose limitations on the ability of the toys to grasp or hold objects.

CARU determined that the advertising adequately identified which items come with the initial purchase of a “Ponyz” doll. CARU recommended, though, that the advertiser more clearly disclose that each Bratz Babyz and each Ponyz must be purchased separately.

MGA, in its advertiser’s statement, said that although it “disagrees with other portions of CARU’s decision,” the company will “take CARU’s position into account should it in the future decide to air commercials for the Bratz Babyz Ponyz product line.”

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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.