

CARU® NEWS

Immediate Release

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QMOBILE PARTICIPATES IN CARU FORUM *Company Agrees to Bring Future Advertising Into Compliance*

New York, NY – November 30, 2006 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that QMobile discontinue advertising for mobile-telephone downloads that aired during children’s television programming hours. The company has discontinued the commercial at issue and agreed to bring future advertising for its products into compliance with CARU’s *Self-Regulatory Guidelines for Children’s Advertising*.

The advertising in question came to the attention of CARU, the children’s advertising industry’s self-regulatory forum, through CARU’s ongoing monitoring efforts.

The advertisement at issue offered mobile wallpaper images appealing to children during children’s television programming hours. To obtain the images for their phones, viewers were told to simply text a phrase to 40100 and then receive a text message to which they could then respond “Yes.” The reply text message also directed mobile users to www.qtones.com to search for other mobile entertainment options.

CARU determined that the advertising in question violated the CARU *Guidelines* on Interactive Electronic Media (IEM), which require that the person liable for the costs of the transaction have the means to exercise control over the transaction.

CARU found that neither the commercial nor the Website adequately disclosed to children that parental permission was necessary, as required by the IEM Guidelines. CARU determined also that disclosures regarding the cost for the downloads only became apparent once the viewer had text messaged the code or visited the Website.

“Considering that children do not learn of the charges until after they have at least initially begun purchasing the downloads, the lack of an audio disclosure can potentially mislead children about the cost of such services,” the decision states.

Finally, CARU determined that the Website directed visitors to disclose personally identifiable information without any age screening or verifiable parental consent, in violation of CARU’s Guidelines for Websites where there is a reasonable expectation that a significant number of children will be visiting.

Following CARU’s inquiry, the advertiser responded that the advertisement in question was a test spot and had been discontinued as of October 2006. The advertiser asserted that the company would make all necessary changes to comply with the *Guidelines*.

“QMobile will continue to be sensitive to issues regarding appropriate advertising to children and online privacy,” the company said in its advertiser’s statement. “QMobile appreciates the opportunity to participate in the self-regulatory process and will participate in the development of acceptable standards and policies for marketing to younger audiences who are using mobile phones.”

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) and Electronic Retailing Self-Regulation Program (ERSP).

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. Funding for ERSR is derived from membership fees paid to the Electronic Retailing Association. For more information about advertising self regulation, please visit www.narcpartners.org.