

CARU® NEWS

For Immediate Release

Contact: Linda Bean

212.705.0129

CARU REVIEWS AD FOR SPONGEBOB SQUAREPANTS DVD ***CARU Recommends MTV's Nickelodeon Remain Mindful of 'Host-Selling' Concerns***

New York, NY – September 7, 2006 – The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has determined that advertising for a *SpongeBob SquarePants* DVD that aired on MTV's Nickelodeon during the *SpongeBob SquarePants* television show violates CARU's *Self-Regulatory Guidelines for Children's Advertising*.

The advertiser noted at the outset, however, that the placement of advertising for the DVD within the programming was the result of human error.

"Nickelodeon will continue to take great strides to put kids first and sincerely regrets this isolated incident," the company said in its advertiser's statement.

Advertising for the DVD came to the attention of CARU, the children's advertising industry's self-regulatory forum, through routine monitoring of advertising directed to children.

CARU was concerned that children watching the *SpongeBob* show would believe that SpongeBob, a character children recognize, was telling them to buy the DVD, in violation of the *Guidelines*. CARU was also concerned that children seeing the commercial during the show would be confused and believe that the commercial was actually part of the show.

The *Guidelines* state in part that "products derived from or associated with program content primarily directed to children should not be advertised during or adjacent to that program."

CARU noted in its decision that it is aware the advertising placement was the result of "human error and is pleased that MTV has taken action to help prevent such an error from happening in the future."

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.