

CARU® NEWS

Immediate Release

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TYPHOON GAMES TAKES PART IN CARU FORUM

Company Modifies Sanriotown Website Following CARU Inquiry

New York, NY – December 14, 2006 – Typhoon Games LTD., the operator of the Sanriotown Website, www.Sanriotown.com, has modified the Website to better protect children's privacy, following an inquiry from the Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc.

Typhoon, based in Hong Kong, has licensed the rights to use popular Sanrio characters on its Website. These characters, such as *Hello Kitty*, are attractive to a broad range of children. The Sanriotown Website offers a variety of services and activities including games, downloads, e-mail, e-cards and forums with various topics where the user can post messages.

CARU, the children's advertising industry's self-regulatory forum, monitors Websites for compliance with the *Self-Regulatory Guidelines for Children's Advertising* (the *Guidelines*) including guidelines on Interactive Electronic Media (IEM), as well as with the federal Children's Online Privacy Protection Act (COPPA).

CARU, following its review of the site, was concerned that the Website was collecting personally identifiable information (PII) from children under 13 without first obtaining verifiable parental consent in violation of CARU's *Guidelines* and COPPA. Additionally, the site lacked a prominent links to its privacy policy on every page where a child could disclose PII.

Typhoon Games, in its response, said it is the company's policy to prohibit registrations from children in the U.S. who are under the age of 13. The company noted, however, that a programming error had allowed such registrations for a period of several months. The error was brought to the company's attention through the CARU inquiry and corrected, the company said.

Typhoon stated that it also terminated the accounts of all U.S.-based users who registered as being under the age of 13 and deleted all of the PII collected from them. The information was not provided to third parties, the company said.

CARU, in its decision, noted that Typhoon no longer allows children under 13 from the U.S. to register with the site and has implemented a neutral age screening mechanism within its registration process. The operator has posted a privacy policy and has included a link to its privacy policy on each page where there is a potential for a user to post PII.

“Typhoon is very focused on making sure that the Sanriotown.com Website provides both a safe and entertaining experience for its visitors,” the company said in its advertiser’s statement.

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