

CARU[®] NEWS

Immediate Release

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CARU REVIEWS SITE OPERATED BY LIONS GATE ENTERTAINMENT

CARU Recommends Company Modify Site to Better Protect Children's Privacy, Better Disclose Sweepstakes Odds, Free Means of Entry

New York, NY – Oct. 24, 2007 – The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that **Lions Gate Entertainment**, the operator of the www.thebratzfilm.com Website, change certain functions of its Website to ensure that the site is in compliance with the privacy-protection provisions of CARU Self-Regulatory Program for Children's Advertising and the federal Children's Online Privacy Protection Act (COPPA).

This Website, www.thebratzfilm.com, administered by Lions Gate Entertainment, came to CARU's attention through its routine monitoring practices. A print advertisement for "The Bratz Film" and the related Website, thebratzfilm.com, appeared in the July 2007 issue of Nickelodeon Magazine.

CARU monitors Websites for compliance with CARU's guidelines, including guidelines on online privacy protection, as well as with the federal Children's Online Privacy Protection Act (COPPA).

The Website featured clips of the film, a live-action drama based on the popular children's dolls. The Website also included registration for a newsletter and sweepstakes, and options to email a friend with a clip of the movie promotion, to receive text messages for future Lionsgate promotions and to purchase Bratz Soundtrack ringtones.

In order to register for the Bratz Newsletter, children had to submit personally identifiable information (PII), including full name, email address, street address, phone number, age and gender. If a child submitted an age that was under 13, a pop-up stating, "You must be 13 years or older to sign up for this Newsletter." appeared on the screen. The child could simply change her age to reflect an age of 13 or older and thus successfully register.

To register for the sweepstakes for a chance to win a trip to the premiere of "The Bratz Movie" in Los Angeles, a child was required to enter her mobile phone number and zip code. There was no requirement for parental consent before entering a phone number. In addition, there was no disclosure of either the odds of winning or a free method of entry.

When CARU first reviewed the Website, it contained several violations of COPPA and CARU's Guidelines. Specifically, the operator collected PII from children without first obtaining verifiable parental consent. The Website did not feature a prominent privacy policy and the sweepstakes registration failed to disclose the odds of winning or a free method of entry.

In response to CARU's inquiry, Lionsgate informed CARU that it had modified the Website to address the issues raised by CARU. Specifically, Lionsgate removed the registration forms for the newsletter, the sweepstakes, and mobile marketing activities. Lionsgate also included a comprehensive privacy policy and removed hyperlinks to Websites that were in violation of CARU's Guidelines.

CARU noted in its decision that it is pleased that the operator has addressed its concerns. The company declined to provide an advertiser's statement.

CARU's inquiry was conducted under *NAD/CARU/NARB Procedures for the Voluntary Self-Regulation of National Advertising*. Details of the initial inquiry, CARU's decision, and the advertiser's response will be included in the next *NAD/CARU Case Report*.

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About advertising self-regulation: 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 the 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. ERSP's funding is derived from membership in the Electronic Retailing Association. For more information about advertising self regulation, please visit www.narcpartners.org.