

CARU RECOMMENDS KEY CHANGES TO SITES FEATURING ‘HANNAH MONTANA’ STAR *IMM Studio Modifies Sites to Better Protect Children’s Privacy*

New York, NY – Nov. 15, 2007 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that IMM Studio, operator of the Websites www.MileyWorld.com and www.MileyCyrus.com modify the sites to better protect children’s privacy and assure parental notification for the release of all personally identifiable information. The company has taken steps to do so.

The Website www.MileyWorld.com is a paid membership fan club for the actress and singer, Miley Cyrus, who plays Hannah Montana on the popular children’s show of the same name on the Disney Channel.

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 MileyWorld Website, a members-only fan site, invites fans to “join the VIP party.” The benefits of becoming a member include pre-sale concert tickets, photos, reading Miley’s online diary, learning about up coming tours, access to exclusive video clips and chatting online with other Miley fans.

When CARU first looked at the Miley World Website, a child who attempted to join was first asked for personally identifiable information (PII) including a username, first and last name, email address, age and gender. The next screen stated, “Grab a parent for this part” and required valid credit card information and a parent’s email address. After this information was submitted by the parent and the parent clicked on the “Join Now” button, the child’s membership was active.

The parent was not notified at any time during the registration process that by giving his credit card information he was also consenting to the collection of his child’s information. If the parent was not present during the first step of the registration process he would not know what information the child had already submitted. Once a child was registered she could go to her profile and submit additional PII such as cell phone number and telephone number to the Website and could immediately post PII in the chat rooms, and on other areas.

The general rule under the *Guidelines* and COPPA is that when a Website operator wishes to collect PII from a child under 13 years of age, the operator must notify the parent and obtain the parent’s consent before any such collection.

In the case of a notice to obtain verifiable consent, the COPPA Rule requires that parents receive a direct notice to inform them that their consent is required for the collection, use, and/or disclosure of their child’s PII. The notice must list the types of personal information collected from children and how such information is used and disclosed including whether a child can make personal information publicly available through a chat room or by other means.

Following CARU's inquiry, the operator made a number of changes to bring the Website into compliance. The operator modified its registration process, privacy policy and notice to parents. As an added safety feature, the operator also modified access to its chat rooms, message boards, and other features where children can disclose PII, to require that a parent approve the use of these features for the child after providing parental consent.

In addition, the Website froze the accounts of members under the age of 13 until the above changes were made and will send a notice to the parent of each member informing him of all information required in the *Notice to Parents* and that verifiable parental consent is needed to reactivate the child's account.

Separately, CARU requested IMM Studio modify the registration practices for the fan newsletter at www.MileyCyrus.com, as well as the site's privacy policy. At the Website, a visitor was able to sign up to receive "Miley's Newsletter" to "be the first to get all the latest scoop and news!" To sign up, a visitor was asked to "Check the box above to confirm that you are 13 or older" before clicking on the sign-up button. A visitor was not able to click on the sign-up button without first checking the box, indicating that he/she is 13 or older. There was no age-screening performed to verify the ages of the visitors.

Once the box was checked and the sign-up button clicked, a visitor was taken to a new page where the following information was collected: First Name, Last Name, State, Zip Code and e-mail address, more information than the site required to distribute the newsletter.

Upon receipt of CARU's initial letter, the operator agreed to institute various protective measures to ensure compliance with the guidelines and COPPA and immediately supplemented the contact information in the privacy policy to contain the business name, e-mail address, physical address and phone number.

IMM, in its advertiser's statements, noted that it "supports CARU's mission to protect children and appreciate(s) the opportunity to participate in the self-regulatory process."

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.