

CARU[®] NEWS

Immediate Release

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MEGA BRANDS TAKES PART IN CARU FORUM *CARU Recommends More Detailed Disclosure in Television Advertising*

New York, NY – May 8, 2006 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that **Mega Brands**, the maker of the Magnetix line of construction toys, include a more detailed disclosure in television advertising to assure children aren’t misled about what is included in an initial purchase.

Advertising for Magnetix came to the attention of CARU, the children’s advertising industry’s self-regulatory forum, through CARU’s ongoing monitoring program. The broadcast advertising aired during children’s programming.

The commercial in question featured a number of elaborate structures and highlighted some of the special features of the product line. At the close of the commercial, a small disclaimer at the bottom of the screen stated, “Several sets needed for larger structures,” followed by a voiceover stating, “each set sold separately.”

CARU was concerned that the television commercial did not adequately disclose to children what is included in the initial purchase and how many sets it would take to build the structures seen in the commercial. CARU noted in its decision that the toys are recommended for children aged six and up, an audience that likely includes some children who can’t yet read.

CARU recommended the company include an audio disclosure in future advertising, which the company has agreed to do.

The company, in its advertiser’s statement, said it accepts “CARU’s decision in its entirety and we agree to modify our advertising pertaining to Magnetix. ...MEGA Brands thanks CARU for its efforts in safeguarding children.”

For a copy of the decision or for press inquiries, please contact Linda Bean, Director of Communications, 212-705-0129.

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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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.