

CARU® NEWS

Immediate Release

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CONDENET PARTICIPATES IN CARU FORUM

Company Says Error, Now Repaired, Disabled Age-Screening Function at Flip.com

New York, NY – May 29, 2007 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that **CondeNet**, operator of The Flip Website, Flip.com, take steps to bring the Website into compliance with CARU’s Self-Regulatory Guidelines for Children’s Advertising (*Guidelines*). The company has done so.

Flip.com came to the attention of the CARU, the children’s advertising industry’s self-regulatory forum, through CARU’s routine monitoring of the Internet.

Flip.com is a social networking community site, which offers various clubs, message boards, and contests. In order to “join flip!” one must submit an email address, a username, a member name, a password and date of birth. CARU was concerned that there was no tracking mechanism to prevent under-age users from immediately changing their ages and registering successfully.

In response to CARU’s initial inquiry, CondeNet stated that Flip.com was launched with registration pages that follow best practices for age-screening in line with CARU’s recommendations. The company said also that a coding problem effectively disabled the tracking mechanism. The operator stated that it has corrected the problem and will monitor the site to assure it continues to function properly.

CARU, in its decision, noted that it is pleased CondeNet corrected the technical error to better address children’s privacy on the Website.

The company, in its advertiser’s statement, said it is “deeply invested in and committed to the safety of its users.”

“In addition to being COPPA compliant, Flip has numerous safety features built into the site and has teamed up with WiredSafety.org and the National Center for Missing and Exploited Children to ensure that the site implements the tightest standards,” the company said.

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