

CARU REVIEWS ADVERTISING FOR WEBSITES OPERATED BY R. LILLY TUCKERWEAR

Company Brings Websites into Compliance with Guidelines, COPPA

New York, NY – July 30, 2008 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that R. Lilly Tuckerwear, the operator of the Websites www.rlillytuckerwear.com and www.fashionfantasygame.com, modify the sites to assure they are in compliance with CARU’s self-regulatory guidelines for children’s advertising or the federal Children’s Online Privacy Protection Act (COPPA.)

CARU, the children’s advertising industry’s self-regulatory forum, reviewed the Websites pursuant to CARU’s ongoing monitoring program.

The Website features R. Lilly Tuckerwear, Inc. clothing. The Website states, “...it’s a place where you can shop for stylin’ tweenwear ... find trendy fashions on our online store and share your Style Girl style with friends.”

The site offers five separate areas for visitors; each area allows a visitor to submit an email address to sign up for an e-newsletter. In some areas, such as Style Girls, a user is asked for first name, email address and age to sign up to become an “R. Lilly Style Girl.”

The privacy policy states, “We use parent’s email addresses to notify the parent when we have received personally identifiable information, such as email addresses, from their children, and to provide them with the ability to consent to, or opt their children out of, participation in the particular activity.” However, when a CARU staff member signed up for the e-newsletter, a parent’s email was not collected and thus no notice was given.

The R. Lilly Tuckerwear Website contains a link to its Fashion Fantasy Game site. The site features a game where users can create fashions online or run a fictitious cyber fashion boutique. To register and play for free, a user is asked to submit a username, password and an email address. When a newly registered player enters the game, a message pops up entitled “Good Practices Pledge.” It states, “You cannot give out personal information, email addresses, IM, passwords or similar information to other players – we play it safe.”

Once registered, a player can contact other members by sending a friend request. If accepted, players can communicate with one another through an internal messaging system. A CARU staff member was able to send another member a message with personally identifiable information (“PII”). The Website does not obtain parental consent.

CARU was concerned that the R. Lilly Tuckerwear Website collected email addresses from children under the age of 13 without notification to a parent of this collection and further concerned that the Fashion Fantasy Game Website allowed children to register for the site and send PII to other members without first obtaining prior verifiable parental consent.

Following receipt of CARU’s opening letter, the operator agreed to remove the e-newsletter sign-up from the Website and implement a filtering system at Fashion Fantasy Game that blocks PII from being sent through the internal email system and any future chat features. The Website operator

also agreed to revise its privacy policy to reflect any changes in its collection practices. In addition, the Website implemented a parental consent mechanism.

CARU noted in its decision that it is pleased the operator made the necessary changes required to bring the Website into compliance with its *Guidelines* and COPPA.

The company, in its advertiser's statement, said it is pleased to have "implemented CARU's suggestions to improve our website's efforts to keep young people's PII safe and secure. CARU has been very helpful in guiding us on achieving our COPPA compliance across both of our websites and we look forward to working with them again."

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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.

About Advertising Industry 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 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.