

For Immediate Release

CARU REFERS VIRTUAL FAMILY KINGDOM TO FTC AFTER COMPANY DECLINES TO SUBMIT RESPONSE TO INQUIRY

New York, NY – Oct. 16, 2008 – The Children's Advertising Review Unit of the Council of Better Business Bureaus, Inc., has referred Virtual Family Kingdom, Inc., to the FTC, after the company declined to respond to an inquiry about privacy practices at the Website www.virtualfamilykingdom.com.

The Website came to the attention of CARU, the children's advertising industry's self-regulatory forum, through a consumer complaint.

Following its review of the site, CARU alerted the Website operator to the following concerns:

- *To register for the "Waiting List," a feature which will alert registrant's when the Virtual Family Kingdom Website becomes active, the operator requires the registrant to submit his/her first name, a character name and an email address. However, the operator does not request a parent's email address to provide notice of this personal information collection as required by the Children's Online Privacy Protection Act of 1998 (COPPA) or CARU's guidelines.*
- *The site fails to include offline contact information as required by COPPA.*
- *The "Kids' Privacy Policy" posted at the site references practices that do not currently exist, such as obtaining prior parental consent before allowing children to register on the Website, offering a "Family Kingdom Kid's E-Newsletter," as well as offering chat, a message forum and instant messaging features.*

Given the operator's failure to provide a substantive written response, CARU will, pursuant to its policies and procedures, refer this inquiry to the appropriate government agency.

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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.