

CARU RECOMMENDS IMM, INC. TAKE STEPS TO MORE CLEARLY DISCLOSE MATERIAL INFORMATION

CARU Examines Ticket Presale, 'Free' Membership Promotions

New York, NY – Jan. 31, 2008 – The Children’s Advertising Review Unit of the Council of Better Business Bureaus has recommended that IMM, Inc., operator of MileyWorld.com take steps in future presale ticket promotions to clearly disclose that membership in the fan club does not guarantee the availability of tickets to Miley Cyrus’ concerts.

Separately, CARU recommended that in all future membership promotions, the advertiser assure that the terms of the promotion are clearly disclosed.

A ticket-sale promotion on the Miley World Website, offering access to presale tickets on five dates for a recent nationwide concert tour, came to the attention of CARU, the children’s advertising industry’s self-regulatory forum through consumer complaints.

The following claims formed the basis of the inquiry:

- “If you want access to Hannah Montana concert tickets before anyone else, join Miley World today!!”
- “Members get access to concert tickets before anyone else!*”
- “Get advance concert tickets. Members can get select pre-release concert tickets.”

The promotion offered members of MileyWorld.com the benefit of purchasing Miley Cyrus concert tickets before they went on sale to the public.

The complainants stated that they purchased memberships after their children alerted them to a promotion for pre-sale concert tickets on the Website. After purchasing the memberships and going to the ticket agent’s Website at the designated time to purchase tickets, the complainants were told that all pre-sale tickets were sold out.

Following its review of the site, CARU determined that the disclosures and disclaimers in both instances were not clear and conspicuous and were not sufficient to convey the material limitations of the offer to the intended child audience.

For example, the Website disclosure “tickets are not guaranteed,” was, in certain instances, an asterisked disclosure was located distant from the offer of presale tickets and was not prominent in terms of color, typeface or size. CARU does not consider such asterisked disclosures an effective means of drawing a child’s attention to material information.

The company, in its advertiser’s statement, said it disagrees with CARU’S decision, but did not intend to appeal. It noted that information it "compiled subsequent to CARU’s inquiry indicated that during the presales there were more than 70,000

member transactions which resulted in the purchase of more than 215,000 tickets. IMM also managed to obtain approximately 110,000 additional tickets for previously scheduled concerts and for the additional venues, which were offered to its members before the general public."

Further, the company said, it will "continue to carefully examine any future promotions to ensure that they comply fully with CARU's Guidelines."

Regarding a separate promotion for a "free 30 day VIP membership" to the site, CARU determined that, on promotional material for the fan club, the advertiser failed to disclose that a parent's credit card information was required and the parent was obliged to cancel the trial membership within 30 days or incur a fee.

The company, in its advertiser's statement, said that "in light of the complaint received by CARU, and with a better understanding of the Guidelines' requirements, in future promotions we will take extra care to ensure that all disclosures are clear, prominent and in language clearly understandable to our young audience. We appreciate the guidance provided by 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.