

CARU EXAMINES LINERIDER.COM WEBSITE

Company Brings Website into Compliance with Guidelines, COPPA

New York, NY – April 30, 2008 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that **Inxile Entertainment, LLC**, operator of the Website www.linerider.com, modify the site to assure it is in compliance with CARU’s *Self-Regulatory Program for Children’s Advertising* and the federal Children’s Online Privacy Protection Act (COPPA). The company has taken steps to do so.

CARU, the children’s advertising industry’s self-regulatory forum, examined the Website pursuant to its ongoing monitoring program.

The Website is a gaming site that allows visitors to create sledding tracks, which can then be set to music and shared on YouTube. The homepage of the site contains an animated picture of a young boy on a sled. To play the game, a player draws his or her own course, using the pencil tool to design varied jumps, hills and ramps. Once the course is created, a virtual sledder navigates the terrain.

At the time of CARU’s initial inquiry, in order to use the Website’s forums or save tracks on the Website, visitors had to register and create a new account. As part of the registration process for a new account, a visitor entered personally identifiable information, including name, date of birth, gender, zipcode and email address.

Once an account was created, registrants were sent an e-mail verifying the registration. Members were asked to complete an online profile by entering their interests or hobbies, occupations, IM chat usernames and Website URLs and titles

The site did not perform neutral age screening to assure that visitors who provided PII were over the age of 13, nor did it request parental contact information or consent, despite having actual knowledge that children under 13 were using the Website. Further, the site’s privacy policy did not contain any contact information for the site operator, nor did it address the Website’s information collection, tracking practices or informational uses by third-party advertisers.

Following CARU’s inquiry, the operator immediately sought to make the necessary revisions to ensure the site’s compliance with CARU’s Guidelines and COPPA. By implementing a neutral age-screening process, halting the collection of PII from children under 13 and deleting all information previously collected from registrants under the age of 13, inXile removed any potential violations of CARU’s Guidelines or COPPA on linerider.com.

The operator is considering updating the site with new privacy protections in the future, including verifiable parental consent for the collection or public posting of information from children under 13.

The company, in its advertiser’s statement, said it is “committed to ensuring a safe online experience for children.”

“Prior to being notified by CARU, we were unaware that our privacy policies and collection of PII were not in accord with CARU’s Guidelines. Upon notification, we

worked closely with CARU and its staff to rectify each issue that CARU noted and to make our website fully compliant with federal law and the CARU Guidelines. We are very grateful to CARU for their diligent time and assistance spent working with us, and we are pleased that we were able to utilize the self-regulation process. We also look forward to working with CARU in the future to ensure that any other products or services that we offer are in compliance as well.”

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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.