

PRESS RELEASE



Council for Responsible Nutrition

The Science Behind the Supplements



FOR IMMEDIATE RELEASE

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CRN, NAD INITIATIVE TO EXPAND REVIEW OF DIETARY SUPPLEMENT ADVERTISING —New Initiative to Target False and Misleading Advertising—

Washington, D.C., *September 18, 2006* — The Council for Responsible Nutrition (CRN), the dietary supplement industry's leading trade association, and the National Advertising Division of the Council of Better Business Bureaus (NAD), an investigative and judicial arm of the advertising industry's self-regulatory body, have launched a new initiative that will increase monitoring of advertising for dietary supplements. The initiative has been developed to increase consumer confidence in the truth and accuracy of advertising claims for dietary supplement products and encourage fair competition within the industry.

Through a series of multi-year grants from CRN, the new initiative will allow NAD to hire an additional attorney who will focus solely on this product category. The initiative is anticipated to address not only comparative advertising claims among makers of dietary supplements, but also substantive claims that are deceptive or misleading and clearly go beyond what's supported by research and allowed by law—claims that feed the public's distrust of the supplement industry.

“Like all industries, we rely on the bond of trust between consumer and marketer. That bond has been stretched by companies that are clearly ignoring advertising laws that exist to protect the public as well as responsible companies that abide by those laws,” said Steve Mister, President and CEO, CRN.

“While CRN has taken individual actions in the past to stop particularly egregious advertising

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claims, we felt it was time to become even more proactive to protect our industry's image. This initiative will help ensure our industry's customers can have faith that the advertising they see is truthful and not misleading.”

CRN will support NAD through membership in the Council of Better Business Bureaus (CBBB), which is also the administrative parent of the Children's Advertising Review Unit and the Electronic Retailing Self-Regulation Program. Policies and procedures for the industry's system of self-regulation are set by the National Advertising Review Council (NARC), an alliance of the advertising industry trade associations and the CBBB formed in 1971.

“The NAD was a logical choice for us,” said Mr. Mister. “NAD has a stellar reputation for its self-regulatory program and is viewed as an excellent model of self-regulation by the Federal Trade Commission (FTC). CRN was attracted by a program that would provide consequences to companies, but could help minimize the need for FTC to get involved with more punitive actions.”

The dietary supplement industry is regulated by both the FTC and the Food and Drug Administration. The new self-regulatory initiative complements federal regulation of an industry that manufactures and markets products used by more than 150 million Americans each year.

“We owe it to these consumers to help ensure they're buying products that live up to the advertising claims,” Mr. Mister added.

NAD reviews advertising that is national in scope, including print, broadcast, infomercials and Internet advertising. NAD opens cases following complaints from consumers, competitors and pursuant to its own monitoring. NAD has a staff of six attorneys who open an average 170 cases each year for all industries. The CRN grants will allow NAD to increase by three-fold the number of dietary supplement-specific case reviews opened each year. CRN will have no role in determining which advertisements NAD chooses to review or whether the claims are determined to be truthful and accurate.

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“This is a commendable step for CRN’s members,” said Andrea Levine, NAD Director and CBBB Vice President. “Increased levels of review of dietary supplement advertising serve an important public health interest, as well as leveling the playing field so that honest competitors can compete fairly. CRN’s members are shining a spotlight on a problem—and to their credit, they’re looking to solve the problem.”

“The FTC strongly supports effective self-regulation,” said Lydia Parnes, Director of the FTC’s Bureau of Consumer Protection. “The Council for Responsible Nutrition is taking a positive step forward in partnering with the National Advertising Division to increase the self-regulatory review of dietary supplement advertising. Industry members have a real opportunity to learn from NAD decisions and build consumer confidence.”

The initiative will be officially introduced to the industry on September 18 in Boston at *The Conference*, CRN’s annual industry symposium on dietary supplements, where Ms. Parnes will join Mr. Mister and Ms. Levine in discussion on the importance of industry self-regulation.

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Note to Editors:

The Council for Responsible Nutrition (CRN), founded in 1973, is a Washington, D.C.-based trade association representing dietary supplement industry ingredient suppliers and manufacturers. CRN members adhere to a strong code of ethics, comply with dosage limits and manufacture dietary supplements to high quality standards under good manufacturing practices. For more information on CRN, visit <http://www.crnusa.org>.

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).

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. For more information about advertising self regulation, please visit www.narcpartners.org.