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CRN FOUNDATION ANNOUNCES FIVE-YEAR GRANT TO NATIONAL ADVERTISING DIVISION FOR REVIEW OF SUPPLEMENT ADS

WASHINGTON, D.C., *November 9, 2009* — The Council for Responsible Nutrition (CRN) and the National Advertising Review Council (NARC) today announced that they will be extending the dietary supplement advertising review program established in October 2006 for an additional five years. Under the extension agreement, the National Advertising Division (NAD) of the Council of Better Business Bureaus (CBBB) will receive \$959,000 from the newly-formed 501(c)(3) CRN Foundation, payable in incremental, semi-annual grants, beginning November 1, 2009 through October 31, 2014.

“Responsible industries take actions that demonstrate their commitment to protecting their consumers, and this self-regulatory program says to all companies that this industry won’t sit back and let misleading advertising serve as a hallmark for which our industry is known. In the three years this program has been in existence, it has gained momentum and widespread attention, becoming an example of responsibility for our industry,” said CRN Foundation Executive Director Steve Mister. “This initiative reflects one of the CRN Foundation’s objectives—‘to promote truthful and non-misleading advertising of dietary supplements to consumers through programs that encourage self-regulation of advertising by industry members.’”

“Misleading dietary supplement advertising negatively impacts trusting consumers and honest competitors alike. Left unchecked, misleading advertising will undermine the reputation of the entire industry,” said Andrea Levine, NAD Director and CBBB Senior Vice President. “With CRN’s support, we have demonstrated that self-regulation can play an active and visible role in combating misleading and unsubstantiated dietary supplement claims, but there is still significant work left to be done. We look forward to continuing our program and are confident that it will make a real difference. CRN is to be commended for its leadership for supporting this strong, impartial self-regulatory program.”

History and Results of the CRN/NAD Initiative

The CRN/NAD initiative, which began in 2006, was developed to increase consumer confidence in the truth and accuracy of advertising claims for dietary supplement products and to encourage fair competition within the industry. Through a series of multi-year grants from CRN, the initiative allowed NAD to hire an additional attorney who focused solely on the dietary supplement product category. The initiative has taken aim at 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. 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.

At the 2008 NAD annual legal conference, Federal Trade Commission (FTC) Commissioner J. Thomas Rosch lauded the CRN/NAD initiative, calling it “...an excellent example of self-regulation that will increase monitoring of advertising for dietary supplements...[a program that] empowers supplement companies...by encouraging them to file a competitive [challenge] with NAD if they see a supplement ad that’s misleading, untruthful, or includes claims that can’t be substantiated.”

Likewise, at *The Conference: CRN’s Annual Symposium for the Dietary Supplement Industry* in October 2009, FTC Director, Bureau of Consumer Protection, David C. Vladeck noted, “There have always been and there will always be marketers who claim to cure whatever ails us,” but went on to applaud the extension of the CRN and NAD initiative and the importance of the self-regulatory program that is helping to clean up the industry.

The year before the monitoring initiative began, NAD opened fewer than 10 cases involving dietary supplement advertising. During the first three years of the program, with the increased resources provided by CRN, NAD opened more than 75 cases, with almost all resulting in voluntary compliance. CRN, which has no role in determining whether the claims reviewed by NAD are determined to be truthful and accurate, submitted 12 cases to NAD through competitive challenges; other cases came from competitors or through monitoring activities of the NAD itself. In cases where the advertiser has declined to participate or declined to abide by the terms of an NAD decision, the advertising at issue has been referred to the Food and Drug Administration (FDA) and FTC.

“Today, we call upon each company in the dietary supplement industry to do its part when it comes to advertising. Responsible companies must exercise restraint in their own marketing and we urge companies to file competitive challenges with the NAD when they see dietary supplement advertisements that they believe do a disservice to the entire industry,” said Mr. Mister.

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The **Council for Responsible Nutrition (CRN)**, founded in 1973, is a Washington, D.C.-based trade association representing dietary supplement manufacturers and ingredient suppliers. In addition to complying with a host of federal and state regulations governing dietary supplements in the areas of manufacturing, marketing, quality control and safety, our 70+ manufacturer and supplier members also agree to adhere to additional voluntary guidelines as well as CRN’s Code of Ethics. Visit www.crnusa.org.

The CRN Foundation was established in 2009 as a non-profit 501(c)(3) organization for the purpose of educating people about the beneficial, safe and responsible use of dietary supplements and their ingredients as part of a culture of wellness. Visit www.crnusa.org/CRNfoundation.

About Advertising Industry Self-Regulation: The National Advertising Review Council (NARC) was formed in 1971. NARC establishes the policies and procedures for the National Advertising Division (NAD) of the Council of Better Business Bureaus, the CBBB’s Children’s Advertising Review Unit (CARU), the National Advertising Review Board (NARB) and the Electronic Retailing Self-Regulation Program (ERSP).

The NARC Board of Directors is composed of representatives of the American Advertising Federation, Inc. (AAF), American Association of Advertising Agencies, Inc., (AAAA), the Association of National Advertisers, Inc. (ANA), Council of Better Business Bureaus, Inc. (CBBB), Direct Marketing Association (DMA), Electronic Retailing Association (ERA) and Interactive Advertising Bureau (IAB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation.

NAD, CARU and ERSP 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. NARB, the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate NAD/CARU 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 principle 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 industry self-regulation, please visit www.narcpartners.org.