## NAD<sub>®</sub> News

For Immediate Release

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## GP PLASTICS ACCEPTS NAD DECISION IN 'GREEN' CASE; CHALLENGER CONTINENTAL PRODUCTS VIOLATED NAD PROCEDURES, NAD NOTES

New York, NY – March 9, 2009 – GP Plastics Corp., the maker of PolyGreen plastic bags, has accepted the recommendations issued in December by the National Advertising Division of the Council of Better Business Bureaus.

NAD, the advertising industry's self-regulatory forum, recommended that the company modify or discontinue certain advertising claims for the product. Advertising by GP Plastics was challenged by Mexico Plastic Company, doing business as Continental Products, a competing provider of plastic bags for the newspaper industry.

GP Plastics, in an advertiser's statement to NAD, said the company "appreciates the NAD's recognition and understanding of the company's efforts to produce a cost-effective product with genuine environmental benefits but is disappointed that the NAD did not agree that the claims '100 percent oxo-biodegradable' and 'completely recyclable' are substantiated. GP Plastics also regrets that the NAD failed to recognize that certain of its slogans (e.g., 'the greatest thing to ever hit the earth') are puffery."

The company, which maintains that its product technology offers certain benefits, said that "out of deference to the process of industry self-regulation, GP Plastics will consider the NAD's recommendations in future advertising and make appropriate modifications."

Separately, NAD noted that Continental Products, the challenger in the case, violated NAD procedures that prohibit the use of NAD decisions for promotional purposes.

NAD determined that the challenger's counsel disseminated the decision to third parties, including customers of GP Plastics, and that this dissemination was made prior to the public release of the decision by the NAD.

The self-regulatory process requires fair dealing on the part of both parties; the NAD procedures and participation agreement both note that parties are prohibited from using NAD decisions for promotional purposes.

(To access a copy of the NAD/CARU/NARB Procedures for the Voluntary Self-Regulation of National Advertising, please go www.narcpartners.org)

NAD's inquiry was conducted under NAD/CARU/NARB Procedures for the Voluntary Self-Regulation of National Advertising. Details of the initial inquiry, NAD's decision, and the advertiser's response will be included in the next NAD/CARU Case Report.

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**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 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 <a href="https://www.narcpartners.org">www.narcpartners.org</a>.