

FILING FEE SCHEDULE FOR NAD CHALLENGE CASES

The Board of Directors of the National Advertising Review Council (NARC) approved in 2009 a filing-fee structure for challenge cases brought before the National Advertising Division (NAD) of the Council of Better Business Bureaus.

NAD is funded by national advertisers who provide ongoing financial support of advertising self-regulation programs through Corporate Partnership dues to the Council of Better Business Bureaus (CBBB). Since 2001, that support has been supplemented by filing fees paid by both CBBB Corporate Partners and non-Corporate Partners when filing a challenge.

The structure increased filing fees for companies that are not Corporate Partners of the CBBB. The increases provide for more equitable sharing of the costs of such proceedings. Under the fee schedule, companies with gross annual revenue of:

- Under \$400 million pay \$6,000.
- \$400 million to \$1 billion pay \$10,000.
- More than \$1 billion pay \$20,000.

The filing fee paid by CBBB Corporate Partners, who provide ongoing financial support through their CBBB dues, is \$3,500. NAD policies continue to provide for a waiver or modification of the filing fee on a showing of economic hardship.

There is no fee for consumer challenges.

NAD, established in 1971 as the advertising industry's self-regulatory body, examines advertising in all media to ensure that advertising claims are truthful and accurate. As part of this mission, NAD provides a process for cost-efficient, expert and expeditious adjudication of challenges filed by companies against claims made in their competitors' advertising. In 2009, NAD handled 166 cases, including 114 challenges.

"NAD has always encouraged the broadest use of its challenge procedures and continues to do so," said Eric Mower, Chairman of the NARC Board of Directors. "The goal of the new fee structure is to more equitably share the cost of self-regulation among member and non-member users of the system."

"The NAD process is open to all members of the advertising industry and the industry's vigorous use of NAD demonstrates the value that voluntary self-regulation brings to the marketplace," said C. Lee Peeler, President and CEO, NARC.

"The additional revenue generated by the increase in filing fees will supplement the resources available to NAD and assure that the NAD process remains available to serve all members of the advertising industry. We appreciate the industry's support and look forward to its continued confidence," he said.

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