

FOR IMMEDIATE RELEASE

**CHANGING FTC RULES IMPACT MARKETING SERVICES
--New and Traditional Media Tactics are Targets--**

NEW YORK, November 23, 2009 – New FTC guidelines will demand greater transparency and dramatic changes in marketing practices in a bold move to regulate endorsements and testimonials in advertising to consumers and ‘pay-for-play’ product reviews and placements in traditional media, blogs and social media.

Media industry legal expert Doug Wood, General Counsel to the Association of National Advertisers, recently spoke at a webinar on Testimonials and Behavioral Advertising Practices. **It was sponsored by G.S. Schwartz & Co. public relations and Digital Power and Light, its new media/digital marketing affiliate.** In his discussion, Mr. Wood noted, “The coming changes in FTC guidelines will be a paradigm of new marketing practices. These guidelines needed to be updated to better address some of the newer media in non-traditional ways of marketing products.”

Wood, a partner at Reed Smith LLP, with over 30 years' experience representing the advertising, entertainment and media industries, cited four key points in his presentation:

- ‘Results may vary’ will be a phrase of the past and typicality will be the new rule as ads will have to show standard expected results
- Social media platforms and the comments made therein will be subject to governmental regulations and law enforcement
- Bloggers can be held responsible, and personally liable, for failing to disclose material information such as sponsorships, funding, or supply of free products
- Advertisers, sellers and agencies may also be held liable for the actions of bloggers

Mr. Wood commented that blogger accountability has created a great deal of controversy among advisers to advertisers, advertising agencies and public relations companies because there are no standards set up to protect yourself from a renegade blogger. “The current conventional wisdom today is that it is key for anyone who is interfacing with bloggers, or supplying anything to them, to adopt a corporate policy about bloggers and about how they have to say things that are truthful and disclose things that are material, and have these bloggers sign off on them.”

Mr. Wood went on to note that we are entering a new era of consumer protection which will effect service providers, data collectors and celebrity bloggers. He added that transparency will become an even greater issue citing that communications must be transparent and honest by endorsers or spokespersons providing testimonials for products or services encompassing a broad array of industries including the banking and financial services sectors.

Mr. Wood's presentation can be viewed in its entirety at:

<https://www120.livemeeting.com/cc/intercall1/view?id=R8RJ2H>

Background:

On October 5th, the Federal Trade Commission revised its Guides Concerning the Use of Endorsements and Testimonials. This was the first time since 1980 the FTC revised its guidelines on these type of advertisements and the first time its rules covered bloggers and social media. The revised guide expands on product endorsements by consumers, experts, celebrities and organizations, and the disclosure of connections between endorsers and products.

“As part of our ongoing efforts to provide important information to our clients, colleagues, partners and staff, we are pleased to have sponsored this timely presentation, which we believe will help them better understand this significant FTC regulation change,” said Jerry Schwartz, president of the 28-year-old agency.

G.S. Schwartz & Co. Inc., www.schwartz.com, founded in 1981, is a full service, mid-sized agency with about 28 employees and 40 national and international clients. Multi-platform digital programs are coordinated through its Digital Power and Light division. Larger clients have included Anheuser-Busch, Promotion Marketing Association, Johnson & Johnson, American Express, DHL Worldwide Express and Dow Jones & Co. Strong relationships in the financial world have also generated substantial work with many smaller, early stage businesses.