

For Immediate Release

NAD RECOMMENDS APPLIED TEXTILES, NANO-TEX DISCONTINUE 'EPA-APPROVED' AND OTHER CLAIMS

New York, New York – Feb. 8, 2011– The National Advertising Division of the Council of Better Business Bureaus has recommended that Applied Textiles and Nano-Tex, Inc., discontinue a wide range of advertising claims made for three fabric-coating products – Nano-Tex, Nano-Tex with Durablock and Nano-Tex with BioAM.

NAD, the advertising industry's self-regulatory forum, examined the claims made by Applied Textiles and Nano-Tex, Inc., following a challenge by Crypton, Inc., a competing textile manufacturer.

A key issue in NAD's review was print and Internet advertising claims that the treated fabric produced by the advertisers was "certified," "compliant," or "approved" by federal agencies that include the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), and the Consumer Products Safety Commission (CPSC).

NAD also examined comparative and implied claims made by Applied Textiles, including claims that

- The challenger's products are not "recyclable."
- The challenger's product contains "harsh chemicals," while Nano-Tex is "virtually chemical-free."
- Nano-Tex + BioAM products can or will prevent or control diseases or offer health protection.
- Textiles coated with Nano-Tex + BioAM will control or mitigate disease, infection or pathological conditions.

(Full text of decision available to media, upon request)

By way of background, Applied Textiles manufactures fabric treated with Nano-Tex coatings, including Nano-Tex, which is soil and stain resistant; Nano-Tex with Durablock, which prevents liquids spills from reaching the cushion; and Nano-Tex + BioAM, a coating that contains an anti-microbial.

Following its review of the evidence in the record, NAD recommended that the advertisers discontinue claims that convey the message that they are certified by OSHA or CPSC or that their products meet environmental standards established by the Okeo-Tex Standard 100.

NAD further recommended that the advertisers discontinue their claim that Nano-Tex + BioAM is "EPA Approved" or "EPA Registered." However, NAD noted, nothing in its decision prevents the advertiser's from claiming that BioAM – an ingredient of Nano-Tex + BioAM – is the trade name for AEGIS Microbe Shield, an antimicrobial that is registered with the EPA.

NAD recommended that Applied Textiles discontinue claims that include the following:

- The challenger's products are not "recyclable;"
- Nano-Tex + Bio-AM has been used in leading hospitals
- The challenger recommends "special detergents" and "no bleach solutions" to clean its fabrics;
- Nano-Tex with DuraBlock meets ASTM F1670 Standard Test Method for Resistance of Materials Used in Protective Clothing to Penetration by Synthetic Blood;

- The challenger's fabrics do not have an available durability score from Wyzenbeek durability testing;
- That Nano-Tex or Nano-Tex with Durablock have passed California Technical Bulletin 133, a combustibility test designed for seating furniture used in public buildings;
- That the challenger's fabrics cost five times as much as Nano-Tex and three times the cost of Nano-Tex with Durablock.
- Nano-Tex with Durablock contains "00.1 mg/kg of volatile fluorocarbons" and that it contains 0.00 mg/kg of formaldehyde.
- That Applied Textiles products meet environmental standards established by McDonough-Braungart Design Chemistry (MBDC).

NAD further recommended that Applied Textiles remove from its Website a "Partial Compendium" that repeatedly states that Nano-Tex + BioAM is effective against the seventy-seven types of bacteria, fungi and algae listed. The Partial Compendium implies that Nano-Tex with BioAM can "kill" microorganisms in a laboratory setting because killing or controlling microorganisms is "relatively easy."

Applied Textiles, in its advertiser's statement, said that while the company "disagrees with many of the NAD's recommendations, we absolutely support the self-regulatory process and greatly appreciate the NAD's time and effort they put into their decision. Accordingly, we will take into consideration the NAD's recommendations for all future advertisements and print documents."

Nano-Tex, in its advertiser's statement, said the company "agrees to comply with the NAD's recommendations to modify its statements concerning OSHA and CSPC compliance and eliminate references to its product being Okeo-Tex 'compliant.' Nano-Tex will take the NAD's recommendations into account in future advertising.

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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.

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 primary 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.