

For Immediate Release

CORTEC CORPORATION AND NORTHERN TECHNOLOGIES PARTICIPATE IN NAD SELF-REGULATORY PROCESS.

NAD notes Cortec's decision to permanently discontinue some claims, but recommends discontinuation and modification of others.

New York, NY – March 28, 2005 – The National Advertising Division (NAD) of the Council of Better Business Bureaus, Inc., the advertising industry's self-regulatory forum, announced its appreciation for **Cortec Corporation's** decision to permanently discontinue some of its claims regarding its Vapor Corrosion Inhibitors (VCI). However, NAD recommended that the advertiser discontinue or modify its other unsupported claims. The truth and accuracy of the advertiser's claims were brought to the attention of the NAD by **Northern Technologies International Corporation**, competing makers of VCI products.

While NAD noted its appreciation for Cortec's decision to and its assurance that it would permanently discontinue some of its claims, NAD concluded that the advertiser's unqualified claim that VCI products containing sodium nitrites or other nitrites are "toxic," "hazardous" and "harmful" was unsupported and recommended that it be discontinued. NAD further concluded that the advertiser's claims that the VCI products of competitors contain nitrites, while Cortec's do not, are not supported by the evidence in the record and, consequently, recommended that they be discontinued or modified to clearly disclose which of its products are "nitrite free." Although NAD determined that Cortec's claims that DICHAN historically was used in VCI technologies is substantiated, it concluded that there was no evidence in the record to support the advertiser's claims that competitors are presently using DICHAN in VCI technologies, and therefore recommended that those claims be discontinued. Finally, NAD concluded that the advertiser's unqualified claim that its products were "FDA approved" be discontinued or modified to clearly disclose which of its VCI products are FDA approved and for what purpose.

In a statement to NAD, Cortec pointed out that "NAD's review was very limited and should not be construed as an endorsement of either technology." Cortec also noted that "[It] is a strong believer in self-regulation and will use NAD's recommendations to help guide future advertising and marketing."

For a complete case report of the NAD decision, please contact Sheryl Harris at 212.705.0120.

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 Case Report*.

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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), the Children's Advertising Review Unit (CARU), and the National Advertising Review Board (NARB).

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, consumers and also from self-monitoring traditional and new media, including the Internet. 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/NARB's sole source of funding is derived from membership fees paid to the Council of Better Business Bureaus.