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**BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF CALIFORNIA**

**In the Matter of the Request for Finding  
of Eligibility to Seek Compensation of:  
Consumer Watchdog**

**OPA Case No. IE-2014-0002  
FINDING OF CONSUMER  
WATCHDOG'S ELIGIBILITY  
TO SEEK COMPENSATION**

On or about July 17, 2014, Consumer Watchdog submitted a Request for Finding of Eligibility to Seek Compensation ("Request"). The Commissioner has reviewed the Request and the Additional Information and makes the following findings and determinations:

**FINDINGS**

Consumer Watchdog provided a verified Request, in accordance with California Code of Regulations (CCR) §2662.2(a).

Consumer Watchdog provided a description of its previous work as an intervenor in accordance with CCR §2662.2(a)(1).

Consumer Watchdog responded to the showing required of a group intervenor, in accordance with CCR §2662.2(a)(2) (A) – 2662.2(a)(2)(G), as follows:

CR §2662.2(a)(2)(A). The current Articles of Incorporation for Consumer Watchdog are on file with the California Department of Insurance (hereinafter, CDI).

CCR §2662.2(a)(2)(B). Consumer Watchdog has no members.

CCR §2662.2(a)(2)(C). Consumer Watchdog listed the names of all individuals on its current Board of Directors and provided a business address at which they could all receive correspondence.

CCR §2662.2(a)(2)(D). Consumer Watchdog stated that it does not send out a paper newsletter, and that it distributes e-mail updates to interested parties, individuals and organizations, and that updates to

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its activities can be found at [www.consumerwatchdog.org](http://www.consumerwatchdog.org), through email updates, Facebook, Twitter accounts, and it's annual awards dinner.

CCR §2662.2(a)(2)(E). Consumer Watchdog submitted a summary of some of its consumer protection activities.

CCR §2662.2(a)(2)(F). Consumer Watchdog submitted a letter from the IRS attesting to its status as a 501(c)(3) corporation.

CCR §2662.2(a)(2)(G). Consumer Watchdog submitted the percentages of funding received through Grants, Individual Contributions, Attorney/Intervenor Fees, and Interest Income. Consumer Watchdog declared that it does not have any individual donors who meets the 5% threshold contained in the regulation requiring disclosure. Consumer Watchdog listed individual foundation grants received. Consumer Watchdog received no Corporate, Business or Government grants.

**LEGAL STANDARDS**

California Insurance Code section 1861.10 states in relevant part:

(a) Any person may initiate or intervene in any proceeding permitted or established pursuant to this chapter, challenge any action of the commissioner under this article and enforce any provision of the article.

(b) The commissioner or a court shall award reasonable advocacy and witness fees and expenses to any person who demonstrates that (1) the person represents the interests of consumers, and (2) that he or she has made a substantial contribution to the adoption of an order, regulation or decision by the Commissioner or a court.

CCR §2662.2 sets out the procedure by which intervenors are deemed eligible to seek compensation.

(a) A person or group representing the interests of consumers may provide to the Public Advisor a request for finding of eligibility to seek compensation. The request shall be verified and may be verified by the intervenor's or participant's attorney and shall be submitted, at any time, in conjunction with an ongoing proceeding in which the individual or organization seeks to intervene. The request shall comply with sections 2652.1-2652.4 of this subchapter and shall include:

(1) a showing by the intervenor or participant that it represents the interests of consumers, including a description of the previous work of the intervenor or participant; and,

(2) in the case of groups representing the interests of consumers, the request shall include the following as exhibits:

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(A) a copy of the group's articles of incorporation, by-laws, or (for groups not organized as corporations) other organizational documents,

(B) if the group has members, the approximate number of current members,

(C) composition of the group's current Board of Directors - including the name and business address of each director and/or the name and business address of the principals of the group if it is not a corporation,

(D) newsletter circulation, if any, along with a representative sample of newsletters and/or any other publications issued by the intervenor in California during the previous twelve (12) months,

(E) any annual or year-end report for the prior year,

(F) a statement as to whether or not the group has been granted non-profit status under Internal Revenue Code Section 501(c), and

(G) in order to allow a determination whether the group actually does represent the interests of consumers, a listing, by general category, of the group's funding sources for the prior twenty-four (24) months and the approximate total percentage of the group's annual budget from each funding category. Each foundation, corporate, business, or government grant shall be separately listed by name of foundation, corporation, business, or government agency and amount of grant. For each individual who contributed at least five percent of the group's annual budget, the name of the individual and the total amount of the annual contribution shall be separately listed.

The Public Advisor may require additional information regarding the request at any time, but not more than twice during any one calendar year from a given Intervenor or participant.

CCR §2661.1 (j) defines representing the interests of consumers as follows:

Represents the Interests of Consumers" means that the intervenor represents the interests of individual insurance consumer[s], or the intervenor is a group organized for the purpose of consumer protection as demonstrated by, but is not limited to, a history of representing consumers in administrative, legislative or judicial proceedings.

1 A party which represents, in whole or in part, any entity regulated by the  
2 Commissioner shall not be eligible for compensation. However, nothing in  
3 this subsection shall be construed to prohibit any person from intervening  
4 or participating if that person is not seeking compensation.

5 CCR §2662.2(b) and (c) set deadlines for CDI's review of requests for finding of  
6 eligibility.

7 (b) Within 10 days of receipt of a request for finding of eligibility to  
8 seek compensation, the Public Advisor shall review the request for  
9 completeness. If the request includes all of the information required by  
10 subdivision (a) above, it is complete. If the Public Advisor determines that  
11 the request is not complete because it does not include all of the  
12 information required by subdivision (a), notice stating the grounds for  
13 incompleteness will be given to the person or group who submitted the  
14 request within the 10 day period and the request will be rejected.

15 (c) The Commissioner shall rule on the request for a finding of  
16 eligibility to seek compensation in writing not later than 15 days from the  
17 receipt of a complete request.

#### 18 DETERMINATIONS

19 Consumer Watchdog has complied with the requirements of CCR §2662.2.

20 Consumer Watchdog represents the interests of consumers, and on those grounds,  
21 the Commissioner hereby finds Consumer Watchdog eligible to seek compensation in  
22 Department proceedings pursuant to CIC §1861.02 *et seq.*

23 This Finding of Eligibility is effective immediately.

#### 24 ORDER

25 Consumer Watchdog is hereby deemed eligible to seek compensation from the  
26 Department of Insurance for its representation of consumers' interests and its participation in  
27 Departmental proceedings pursuant to CIC §1861.10, for a period not to exceed two years from  
28 the date of this order.

A finding of eligibility to seek compensation does not ensure compensation and Consumer  
Watchdog must comply with all relevant provisions of the California Insurance Code and the  
California Code of Regulations in order to submit requests and/or to receive compensation in  
specific hearings or proceedings.

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Dated: July 24, 2014

DAVE JONES  
Insurance Commissioner

By   
Edward Wu  
Public Advisor

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**PROOF OF SERVICE**  
**In the Matter of the Request for Finding of Eligibility to Seek Compensation of:**  
**CONSUMER WATCHDOG**  
**Case No. IE-2014-0002**

I am over the age of eighteen years and am not a party to the within action. I am an employee of the Department of Insurance, State of California, employed at 45 Fremont Street, 19th Floor, San Francisco, California 94105. On July 24, 2014, I served the following document(s):

**FINDING OF CONSUMER WATCHDOG'S ELIGIBILITY TO SEEK  
COMPENSATION [Ins. Code §1861.10; Cal. Code Regs., Title 10, §2662.2]**

on all persons named on the attached Service List, by the method of service indicated, as follows:

If **U.S. MAIL** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items to be sent by mail, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for mailing by U.S. Mail. Under that practice, outgoing items are deposited, in the ordinary course of business, with the U.S. Postal Service on that same day, with postage fully prepaid, in the city and county of San Francisco, California.

If **OVERNIGHT SERVICE** is indicated, by placing on this date, true copies in sealed envelopes, addressed to each person indicated, in this office's facility for collection of outgoing items for overnight delivery, pursuant to Code of Civil Procedure Section 1013. I am familiar with this office's practice of collecting and processing documents placed for overnight delivery. Under that practice, outgoing items are deposited, in the ordinary course of business, with an authorized courier or a facility regularly maintained by one of the following overnight services in the city and county of San Francisco, California: Express Mail, UPS, Federal Express, or Golden State overnight service, with an active account number shown for payment.

If **FAX SERVICE** is indicated, by facsimile transmission this date to fax number stated for the person(s) so marked.

If **PERSONAL SERVICE** is indicated, by hand delivery this date.

If **INTRA-AGENCY MAIL** is indicated, by placing this date in a place designated for collection for delivery by Department of Insurance intra-agency mail.

If **EMAIL** is indicated, by electronic mail transmission this date to the email address(es) listed.

Executed this date at San Francisco, California. I declare under penalty of perjury under the laws of the State of California that the above is true and correct.



Christine Warren

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**SERVICE LIST**  
**In the Matter of the Request for Finding of Eligibility to Seek Compensation of:**  
**CONSUMER WATCHDOG**  
**Case No. IE-2014-0002**

<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
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Pamela Pressley	Fax: (310) 392-8874	
CONSUMER WATCHDOG		
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<a href="mailto:pam@consumerwatchdog.org">pam@consumerwatchdog.org</a>		