1	Richard Holober	
2	Douglas Heller Aaron Lewis (SBN 285526)	
3	CONSUMER FEDERATION OF CALIFORNIA	
4	1107 9th Street, Suite 625 Sacramento, CA 95814	
	Tel.: 916-498-9608	
5	Fax: 916-498-9611	
6	holober@consumercal.org douglasheller@ymail.com	
7	alewis@consumercal.org	
8		
9	Attorneys and Advocates for CONSUMER FEDERATION OF CALIFORNIA	
10		
11	BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA	
12		
13	In the Matter of the Rates Application of	File No. PA-2015-00004
14		11101101111 2013 00001
15	STATE FARM GENERAL INSURANCE COMPANY,	CONSUMER FEDERATION OF
16	·	CALIFORNIA'S REQUEST FOR FINDING OF ELIGIBILITY TO SEEK
17	Applicant.	COMPENSATION
18		
19	The Consumer Federation of California (CFC) hereby requests a finding of eligibility to	
20	seek compensation in proceedings before the California Department of Insurance (CDI). This	
21	verified Request for Finding of Eligibility to Seek Compensation is made pursuant to California	
22	Insurance Code (Cal. Ins. Code) § 1861.10 and California Code of Regulations, Title 10 (Cal.	
23	Code Regs., Tit. 10) § 2662.2.	
24	I. CONSUMER FEDERATION OF CALIFORNIA	
25	CFC is a non-profit 501(c)(4) federation of organizations and individual consumer	
26	members, organized for the purpose of consumer protection. The organizational members are	
27	comprised of California consumer groups, senior citizen groups, labor organizations, and variou	
28		
	CONSUMER FEDERATION OF CALIFORNIA'S REQUEST FOR FINDING OF ELIGIBILITY TO SEEK COMPENSATION - 1	

community groups.1

Founded in 1960, as the Association of California Consumers,² CFC (an affiliate of the Consumer Federation of America³), has been advocating for consumers for over 50 years. The central purpose of this organization has been, and continues to be, defending and advocating for the interests of consumers. CFC is also dedicated to educating the public regarding consumer issues⁴ and advocating for laws and regulations that protect consumers. In advocating for consumers CFC promotes consumer interests in the state legislature, in front of various governmental agencies, in administrative tribunals, and in courts of law. CFC also represents consumers in public campaigns related to ballot initiatives proposing changes in law that may potentially impact consumers.

Throughout its history the central purposes of this organization have remained unchanged. The Consumer Federation of California's Articles of Incorporation set forth these central purposes, which are:

... to promote the interests of consumers, using peaceful, lawful methods to: (1) agree upon specific consumer legislation and issues and to propose and marshal support for such legislation, and issues, at all levels of local, state and federal government; (2) represent, advocate or promote consumers before any or all public agencies or decision making bodies at all levels of local, state or federal government and before any or all private organizations, agencies, commissions or decision making bodies; (3) represent consumers and the interests of residential customers for the purpose of participating in

¹ A list of organizational members is attached as Exhibit H.

² The organization's name was changed to Consumer Federation of California in 1972.

³ The Consumer Federation of America (CFA) is an association of non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. Today, nearly 300 consumer interest groups participate in the federation and govern it through their representatives on the organization's Board of Directors.

⁴ As to its advocacy and education functions, CFC sponsors the Consumer Federation of California Education Foundation, a 501(c)(3) not-for-profit California corporation.

administrative, commission proceedings and litigation within the maximum legal limits allowed of a 501(c)(4) tax exempt corporation under Federal and California law; (4) promote the organization of local consumer groups and encourage their affiliation with the Consumer Federation of California; and (5) cooperate with the Consumer Federation of America and similar state and national federations.

Public policy guiding CFC's consumer representation, education, and advocacy activities is set by its Policy Board.⁵ CFC officers and board members are elected at a biennial convention of CFC general membership. CFC members also vote to adopt resolutions consistent with CFC's purposes, and these resolutions guide the Policy Board and staff in taking positions on legislation, public policy, and other relevant consumer-related issues.

A. CFC Represents the Interests of California Insurance Consumers at the California Department of Insurance and in General in Other Forums.

CFC has advocated for insurance consumer interests, at the California Department of Insurance (CDI), on an informal basis, for many years. Since 2006 CFC has, in various capacities, advocated for insurance consumers in more formal rulemaking and rate matters before the Insurance Commissioner and/or at the California Department of Insurance. Some of the matters in which CFC was involved are as follows:

- In 2006 CFC participated in California Department of Insurance rulemaking entitled: *Proposed Prior Approval of Insurance Rate Regulations*, CDI File No. RH 05042749;
- In 2006 CFC participated in California Department of Insurance rulemaking entitled: Prior Approval Insurance Rate Regulations, CDI File No. RH 05042749;

⁵ The term Policy Board is the functional equivalent of Board of Directors. Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(C) refers specifically to "Board of Directors." CFC's Policy Board is its "Board of Directors." CONSUMER FEDERATION OF CALIFORNIA'S REQUEST FOR FINDING OF ELIGIBILITY TO SEEK COMPENSATION - 3

- In 2006 CFC participated in California Department of Insurance ratemaking entitled: Low Cost Automobile Insurance Rates, CDI File No. RH 05050092;
- In 2006 CFC participated in California Department of Insurance rulemaking entitled: *Title Insurance Rate Regulation*, CDI File No. RH0504799;
- In 2008 CFC participated in California Department of Insurance rulemaking: *Usage Based Auto Insurance*, CDI File No. REG 2008-00020;
- In 2012 CFC participated in California Department of Insurance rulemaking workshop entitled: *Scope of Prior Approval*, CDI File No. OV-2011-00076 and
- In 2012 CFC participated in California Department of Insurance rulemaking entitled: Standards for Repairs and Use of Aftermarket Car Parts, CDI File No. REG 2011 00024.

CFC also represents the interests of consumers in other regulatory proceedings. For the past eight years, CFC has participated as an intervenor in proceedings before the California Public Utilities Commission (CPUC), representing the interests of residential utility ratepayers. CFC has intervened in the proceedings dealing with the following subject matters: PG&E's general rate case; reconfiguration of payments for gas utilities public purpose program surcharges; transfer of assets of the state's largest petroleum pipeline utility; development of rules for limited English-speaking telecommunications consumers; water conservation pricing for investor-owned water utilities; establishment of consumer privacy protections as an element of the deployment of the smart grid for electricity; development of rules for pricing and infrastructure for electric vehicle charging systems, energy storage, clean energy, and telephone service quality. CFC's work in the first two items listed above helped reduce proposed rate hikes for residential gas and electric utility consumers by over \$600 million a year.

B. CFC Personnel

1. Richard Holober

Richard Holober is the Executive Director of the Consumer Federation of California. Mr. Holober has served in this capacity since 2001. As Executive Director, Mr. Holober has

CONSUMER FEDERATION OF CALIFORNIA'S REQUEST FOR FINDING OF ELIGIBILITY TO SEEK COMPENSATION - 4

advocated on behalf of consumers, and specifically insurance consumers, before consumer groups, regulators, legislators, agencies, lawmakers and in public campaigns.

In 2006, at the request of former Insurance Commissioner John Garamendi, under the leadership of Mr. Holober, CFC initiated a project designed to increase awareness of California's Low Cost Automobile Insurance Program. Having obtained funding from a philanthropic foundation, CFC's education and research arm, CFC Education Foundation, launched the program which was targeted at San Francisco and Alameda Counties. This project ran for two years, and entailed extensive outreach to insurance producers, local government agencies and community-based organizations that serve low-income communities. The project surpassed its goals in increasing the number of local residents that enrolled in the low-cost insurance program.

Subsequently, former Insurance Commissioner Steve Poizner appointed Mr. Holober to sit on the Blue Ribbon Review Committee of the Commissioner's then, newly established Advisory Task Force on Insurance Fraud. In this capacity Mr. Holober was instrumental in the review and publication, in 2008, of a comprehensive task force study on insurance fraud.

In other advocacy before the Department of Insurance, in 2008, Mr. Holober provided testimony regarding the privacy implications of regulations sought by the insurance industry that would have mandated installation of mileage recording and transmitting devices for determining motor vehicle renewal rates for policyholders.

Mr. Holober also takes an active role in prior approval rate cases at the CDI where CFC is an intervenor.

2. James Gordon

James "Jim" Gordon has served as President of the CFC Policy Board since October 2000 and has been reelected every two years since. Along with Mr. Holober and the Policy Board, Mr. Gordon is responsible for seeing to it that CFC remains effective and successful in reaching its consumer protection goals.

Since 2005, Mr. Gordon has served on the California Automobile Assigned Risk Plan (CAARP) Advisory Board representing consumers as an appointee of the Insurance Commissioner. The CAARP plan was created to provide an alternative source of automobile

insurance for motorists unable to obtain coverage in the private sector due to their driving records or other extraordinary circumstances. The CAARP Board also oversees the California Low Cost Automobile Insurance Program, which is designed to provide affordable liability insurance to low-income drivers. Through Mr. Gordon, CFC advocates for insurance consumers in terms of overseeing the implementation of CAARP rules and regulations. Likewise Mr. Gordon advocates for low-income insurance consumers by monitoring and promoting the California Low Cost Automobile Insurance Program.

3. Douglas Heller

Douglas Heller is a consumer advocate and insurance expert retained by CFC to assist in its regulatory interventions. Mr. Heller is an independent consultant under contract to CFC. Mr. Heller is a nationally-recognized consumer advocate with extensive expertise in insurance regulatory matters. Mr. Heller has more than fifteen years experience as a consumer advocate focusing on property-casualty insurance rates and policies. Since 1999, Mr. Heller has participated and / or intervened in numerous rulemaking and ratemaking proceedings before the Department of Insurance, having a particular focus on matters related to, or governed by, Proposition 103.

Between 1997 and 2013, Mr. Heller worked in various capacities for the nonpartisan, nonprofit organization Consumer Watchdog, including serving as its Executive Director from 2004 until 2012. Mr. Heller was the lead insurance advocate during most of the 16 years he spent with the organization. Examples of Mr. Heller's ratemaking, rulemaking and other insurance advocacy include:

- In the Matter of the Rates Charged, Rating Plan, Rating Systems, Rates and Underwriting Rules of Government Employees Insurance Companies and its Affiliates, CDI File No. NC-2015-00001
- In the Matter of the Rate Application of Farmers Insurance Exchange, Fire
 Insurance Exchange, and Mid-Century Insurance Company, CDI File No. IP2013-00011;

- In the Matter of the Rate Application of Progressive West Insurance Company, CDI File No. IP-2012-00011;
- In the Matter of the Rate Application of Coast National Insurance Company, CDI File No. IP-2012-00010;
- In the Matter of the Rate Application of State Farm General Insurance Company, CDI File No. IP-2011-00010;

 In re proposed amendments to Subchapter 4.9, Title 10 of the California Code of Regulations, Chapter 5, Subchapter 4.7, Section 2632.5 (Pay as you Drive, Usage Based Auto Insurance Regulations), CDI File No. IP-2008-00043, in which he served as an advocate and expert for Consumer Watchdog; and
- In re RH 03 02 6431 and RH 03 02 6432, Low Cost Automobile Insurance Rates,
 CDI File No. IC 03 03 3218, in which he served as an advocate and expert for Consumer Watchdog.

In addition to the above listed matters in which he served as an advocate and / or expert, Mr. Heller is a "Consumer Representative," appointed by the Insurance Commissioner, to sit on the California Automobile Assigned Risk Plan Advisory Board.

Mr. Heller was a featured speaker at a May 16, 2013 symposium regarding the regulation of California's insurance industry presented for MCLE credit by The Insurance Law Committee of the California State Bar. He is the coauthor of a report entitled: *What Works: A Review of Auto Insurance Rate Regulation in America and How Best Practices Save Billions of Dollars*. This seminal report was published by the Consumer Federation of America in 2013.

4. Bickmore and Associates, Inc.

In its insurance rate regulatory work, CFC contracts the services of Bickmore and Associates, Inc. (Bickmore) to provide actuarial expertise.

Established in 1960, Bickmore is Sacramento-based risk services consulting firm. Bickmore has extensive experience with property and casualty insurance ratemaking and substantial experience with the Proposition 103 prior approval insurance rate regulations.

Bickmore personnel have extensive experience, in general, in the California insurance regulatory environment.

Bickmore's actuarial team has combined actuarial consulting experience with general liability, auto, property, and workers' compensation programs for a variety of public and private sector clients. The firm employs more than 100 professional and support staff, including credentialed insurance professionals. The Bickmore team includes Fellows of the Casualty Actuarial Society (FCAS) and Associates of the Casualty Actuarial Society (ACAS), all of whom are Members of the American Academy of Actuaries (MAAA). Bickmore clients include both public and private entities in over 30 states.

5. Aaron Lewis

Aaron Lewis is Staff Attorney at Consumer Federation of California. He is a 2008 graduate of Columbia University and a 2012 graduate of the University of California, Hastings College of the Law, where he specialized in civil litigation and graduated with recognition for Outstanding Achievement in Pro Bono. Mr. Lewis served as Senior Managing Editor of the Hastings Race and Poverty Law Journal and worked as a summer extern for the Honorable Thelton E. Henderson of the U.S. District Court for the Northern District of California.

Mr. Lewis has worked as an attorney and lobbyist for CFC since July 2014, including work on insurance-related issues before the California Department of Insurance (*In the Matter of the Rates Charged, Rating Plan, Rating Systems, Rates and Underwriting Rules of Government Employees Insurance Companies and its Affiliates*, CDI File No. NC-2015-00001) and legislative advocacy.

Prior to working at CFC, Mr. Lewis was employed as an attorney by the National Asian American Coalition (NAAC), a 501 (c)(3), U.S. Department of Housing and Urban Development approved home counseling agency which advocates on behalf of communities of color, in particular Asian American communities and immigrant communities. While at the NAAC, he was lead attorney for the organization's intervention in one prior approval rate case before the CDI (*In the Matter of the Rate Application of Mercury Casualty Company*, PA-2013-00004).

C. CFC Was Found Eligible to Seek Compensation in 2014 and Has Recently Been Granted Intervenor Status in Five Proposition 103 Rate Cases at the California Department of Insurance

Approximately two years ago, on May 1, 2014, pursuant to its request, CFC was found to be eligible to seek compensation by the Insurance Commissioner in accordance with Cal. Code Regs., Tit, 10, Section 2662.2. In addition to involvement in the matters described above, since 2014, CFC has intervened in several rate proceedings. The most recent proceedings include:

- 1. In the Matter of the Rate Application of Infinity Insurance Company, PA-2014-00002
- 2. In the Matter of the Rates of Hartford Underwriters Insurance Company and Trumbull Insurance Company, PA-2014-00011
- 3. In the Matter of the Rates of California Capital Insurance Company and Eagle West Insurance Company, PA-2015-00002
- 4. In the Matter of the Rate Application of Safeco Insurance Company of America, First National Insurance Company of America, American States Preferred Insurance Company, PA-2015-00007
- 5. In the Matter of the Rates of Wawanesa General Insurance Company, PA-2015-00011

D. CFC Represents the Interests of Consumers, and Specifically Insurance Consumers, before the California Legislature

To achieve its consumer advocacy goals, CFC's staff monitors legislation on an on-going basis, meets with legislators, appears at legislative hearings and performs the multitude of tasks necessary to effectively represent consumers by promoting or opposing legislation that affects them.

21

22 23

25

26

24

27

28

In each legislative session, CFC advocates for or against several dozen bills that may have the potential to impact California consumers. CFC meets with legislators and testifies on bills affecting privacy rights, utility regulation, false advertising, car buyers' rights, predatory lending, reverse mortgage protection, non-English speaking consumers' rights, senior citizens' issues, nursing home staffing, prescription drug labeling and marketing practices, food safety, consumer access to justice, household toxics, clean air and water, for-profit colleges, insurance regulatory issues and a host of others. CFC has testified and published opinion pieces defending against budget cuts that would cause harm to various programs that serve low income, senior citizens and / or California consumers in general.⁶

Specifically, as to insurance consumers, CFC works in supporting and opposing proposed legislation impacting California insurance consumers. In the past CFC has supported legislation that would subject health insurance rates to the prior approval rate process, legislation that would require large insurers to report on their minority, women and disabled-owned business procurement efforts; legislation that would prohibit insurance agents and brokers from receiving any compensation for referring customers to a seller of reverse mortgages and legislation that would require an insurer of long term care insurance to post an insurance rate guide on its website with information about coverages and costs for plans that are offered.

CFC also publishes a quarterly newsletter, *The California Consumer*, which keeps California consumers up-to-date on myriad consumer issues. CFC provides rigorous advocacy in the legislature including zealous representation in the California legislature of consumer interests and specifically insurance consumer interests.

Ε. CFC Represents the Interests of Consumers in Measures Brought Before the Voters

CFC is also active in supporting and opposing ballot measures affecting consumers. Central to this advocacy effort is voter education and outreach. One example concerns the

⁶ Please refer to attached copies of *The California Consumer* for the latest on CFC legislative efforts. CONSUMER FEDERATION OF CALIFORNIA'S REQUEST FOR FINDING OF ELIGIBILITY TO SEEK **COMPENSATION - 10**

prohibition on rating a policy of automobile insurance on the basis of a lapse in insurance coverage. That policies cannot be rated based upon a lapse in coverage is considered to be a key component of Proposition 103. In 2010, CFC played a central role in the battle to defeat Proposition 17, which would have allowed insurers to raise rates if an insured had a lapse in insurance coverage. In essence the initiative aimed to create a new auto-rating factor, a rating factor detrimental to the interests of California insurance consumers, while doing away with one of Proposition 103's most important consumer protections. The voters of California rejected the initiative thanks, in great part, to the advocacy, education, outreach and organizational work done by CFC.

In 2012, CFC joined with other consumer advocates to defeat Proposition 33, again taking a leadership role in organizing opposition to this initiative. While there were some amendments to the proposed statutory language, Proposition 33 was essentially the same initiative as Proposition 17. Like its predecessor, Proposition 33 also failed at the ballot box.

CFC continues to perform consumer education and voter outreach pertaining to the California initiative process and California insurance consumers.

F. CFC Educates Law Makers and the Public on Consumer Issues Through its Newsletter and Website

As stated above, CFC educates members, legislators and the public regarding consumer issues through in-person meetings, by testifying before legislative committees, and also through its newsletter, *The California Consumer*. The publication provides quarterly updates as well as timely alerts on matters of concern to consumers, and is supplemented by bulletins as needed. CFC also maintains a sophisticated website alerting consumers and legislators to consumer issues.

II. EXHIBITS

Attached hereto are the following exhibits, each of which is incorporated herein by this reference:

- Exhibit A: A copy of Consumer Federation of California's articles of incorporation and by-laws, pursuant to Cal. Code Regs., Tit. 10. § 2662.2(a)(2)(A);
- Exhibit B: Approximate number of current of members, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(B);
- Exhibit C: A list of CFC's current Policy Board -- 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, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(C);
- Exhibit D: Newsletter circulation, along with a representative sample of newsletters and/or any other publications issued by the intervenor in California during the previous twelve (12) months, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(D);
- Exhibit E: Any annual or year-end report for the prior year, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(E);
- Exhibit F: Statement as to CFC's non-profit status under Internal Revenue Code Section 501(c), pursuant to Cal. Code Regs., Tit. 10 § 2662(a)(2)(F);
- Exhibit G: A listing, by general category, of the Consumer Federation of California's funding sources for the prior twenty-four (24) months and the approximate total percentage of Consumer Federation of California'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

VERIFICATION OF AARON LEWIS IN SUPPORT OF CONSUMER FEDERATION OF CALIFORNIA'S REQUEST FOR FINDING OF ELIGIBILITY

I, Aaron Lewis, verify:

- I. I am a staff attorney for the Consumer Federation of California. If called as a witness, I could and would testify competently to the facts stated in this verification.
- 2. I personally prepared the attached pleading entitled, "Consumer Federation of California's Request for a Finding of Eligibility to Seek Compensation." All of the factual matters alleged therein are true of my own personal knowledge, or I believe them to be true after I conducted some inquiry and investigation.
- 3. The documents attached as Exhibits A through I to Consumer Federation of California's Request for a Finding of Eligibility to Seek Compensation, pursuant to 10 CCR section 2662.2, include:
 - Exhibit A: A copy of Consumer Federation of California's articles of incorporation and by-laws, pursuant to Cal. Code Regs., Tit. 10. § 2662.2(a)(2)(A);
 - Exhibit B: Approximate number of current of members, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(B);
 - Exhibit C: A list of CFC's current Policy Board -- 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, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(C);
 - Exhibit D: Newsletter circulation, along with a representative sample of newsletters and/or any other publications issued by the intervenor in California during the previous twelve (12) months, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(D);
 - Exhibit E: Any annual or year-end report for the prior year, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(E);

CONSUMER FEDERATION OF CALIFORNIA'S REQUEST FOR FINDING OF ELIGIBILITY TO SEEK COMPENSATION - 14

- Exhibit F: Statement as to CFC's non-profit status under Internal Revenue Code Section 501(c), pursuant to Cal. Code Regs., Tit. 10 § 2662(a)(2)(F);
- Exhibit G: A listing, by general category, of the Consumer Federation of California's funding sources for the prior twenty-four (24) months and the approximate total percentage of Consumer Federation of California's annual budget from each funding category, pursuant to Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(G));
- Exhibit H: List of organizational members, and;
- Exhibit I: List of highlighted 2015-2016 legislation.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Aaron Lewis

And Im

Executed May 27, 2014, at Sacramento, California.

EXHIBIT A

Exhibit A: A copy of Consumer Federation of California's articles of incorporation and by-laws (Cal. Code Regs., Tit. 10. § 2662.2(a)(2)(A)).

Consumer Federation of California

Bylaws

As Amended October 19, 2012

Consumer Federation of California Bylaws

ARTICLE 1

This organization, to be known as the Consumer Federation of California, shall promote the interests of urban and rural consumers, using peaceful, lawful methods to achieve the following objectives:

Legislation: Agreement upon specific consumer legislation and issues, and propose

and marshal support for such legislation and issues, at all levels of

government.

Representation: Represent consumers before public and private agencies at all levels.

Local Groups: Promote the organization of local consumer groups and encourage their

affiliation with the Federation.

Cooperation: Cooperate with the Consumer Federation of America and similar state

and national federations.

Political Action: Advance consumer interests by participating in the political process.

Capacity Building: Seek opportunities to establish and assist the growth of CFC-related

entities that build the consumer movement's capacity.

The principal office of the corporation in the State of California shall be located in a California city as designated by the Policy Board from time to time. The corporation may have such other offices as the Policy Board may determine or as the affairs of the corporation may require from time to time.

ARTICLE 2 Membership

Section 2.1 Individual Members

Any person who resides in the State of California and subscribes to the purposes and objective of the Federation set forth in the Articles of Incorporation of the Federation, is eligible for membership in the Federation upon payment of membership dues as established by the Policy Board.

Section 2.2 Affiliated Organizations

Any non-partisan organization operating or incorporated in the State of California (including local chapters of national organizations) which subscribes to the purposes and objectives of the Federation set forth in the Articles of Incorporation of the Federation is eligible for membership in the Federation upon payment of membership dues as established by the Policy Board.

Section 2.3 Non-Resident members

The Policy Board may admit to non-voting membership individuals and organizations outside the State of California who subscribe to the purposes of the Federation.

Section 2.4 Additional Types of Membership

- (a) Affiliated organization members shall certify their membership totals to the Federation in such manner at the Policy Board may designate.
- (b) The types of membership provided for in these Bylaws shall not constitute different classes of membership for any purpose and this Federation has but one class of membership for the purpose of voting on any matter.

Section 2.7 Admission to Membership

Membership in the Federation is obtained by making written application for membership on a form prescribed, with the payment of dues and upon approval of the application by the Policy Board.

No organization or individual advocating the violent overthrow of our government may be a member of the Federation.

Section 2.8 Suspension and Expulsion

Any member may be duly suspended or expelled from the Federation by the Policy Board for any conduct deemed by the Board to be detrimental to the best interest of the Federation. Not less than twenty days prior to decision by the Board relating to the suspension or expulsion of a member, the Board shall cause written notice to be sent by certified mail to such member at the member's address as shown in the membership records of the Federation, advising the member of the allegations constituting the possible basis for suspension or expulsion and of the time and place of the meeting of the Board at which the matter is to be acted upon. The member involved is entitled to be present at such meeting and to be heard personally and through counsel of choice. The Policy Board may establish sub-committees of not less than three board members to hear any matter pertaining to suspension or expulsion, in which event the notice to the member shall advise the member appropriately and the member shall be entitled to the same rights as in a hearing before the Board. In the event the Board established a subcommittee to hear any such case, the Board shall decide the matter upon the report of the sub-committee without a further hearing. The Board shall cause notice of its decision to be sent by certified mail to the member. Within thirty days after the date of mailing such notice, the member may appeal the decision of the Policy Board to the membership by filing a written notice of appeal with the Secretary of the Policy Board. The notice of appeal need not be in technical language as long as its purpose is ascertainable with reasonable clarity. Any such appeal shall be voted on by the membership at its biennial convention held not less than thirty days after the filing of the notice of appeal. The decision of a majority of the members and delegates voting shall be final. Arguments on appeal shall not exceed one-half hour on each side.

Section 2.9 Transfer of Membership

Membership in this corporation is not transferable or assignable.

Section 2.10 Liabilities and Property Rights of Members

No member of the corporation, whether voting or non-voting, shall be personally liable to its creditors for any indebtedness or liability.

Section 2.11 Public Statements

Public statements on behalf of or in the name of the Federation may be made only by the President or by such person or persons as the President or Policy Board shall designate. The making of any unauthorized public statement on behalf of or in the name of the Federation shall constitute grounds for expulsion from membership. The provisions of this section are not intended to limit grounds of suspension or expulsion referred to in Section 2.8 of this Article.

Section 2.12 Use of Membership Records

The membership records of this Federation shall not be made available for the use or benefit of any other organization or for any purpose not directly related to the affairs of the Federation without the express prior consent of the Policy Board, subject to the rights of members to inspect their membership record at all reasonable times.

It is the intention of this section and the policy of the Federation to safeguard against any use of membership records which would subject members to unwanted mailings and/or solicitation.

Section 2.13 Local and Regional Chapters

- (a) The Policy Board may establish within the Federation, local or regional chapters.
- (b) Each member of the chapter shall be a member of the Federation.
- (c) Each chapter of the Federation shall be responsible for the collection of the amount of dues prescribed by Section 2.5 from each chapter member. The chapter shall transmit such portion of the dues collected to the Treasurer of the Federation as the Policy Board shall determine. The chapter may further set an additional amount of dues to be paid to, and received by, the chapter, subject to approval of the Policy Board.
- (d) Each chapter shall promulgate bylaws and rules of operation not in conflict with these bylaws, and pursuant thereto, shall elect officers and a governing board. Such officers and board shall have governance over all affairs of the chapter, to the extent that such affairs are not contrary to or in disharmony with the purposes and objective of the Federation.

ARTICLE 3 Conventions

Section 3.1 Governing Body

The general convention of the Federation shall be the supreme governing body of the Federation.

The general convention of the Federation shall be held biennially at such time and place in the state of California as the Policy Board shall determine.

Section 3.2 Notice of Convention

Written notice of the time and place of holding the convention, the proposed agenda, and a message of the President shall be mailed to each member at his address as it appears on the membership records of the Federation at least sixty days preceding the date of the general convention.

Section 3.3 Business of General Convention

- (a) The convention shall pass upon matters properly raised in the convention or referred to it by the Policy Board. The order of business at the convention shall be as set forth by the Policy Board.
- (b) Resolutions and amendments to the Articles of Incorporation or Bylaws of the Federation proposed by any member shall be: submitted in writing to the Secretary of the Federation not less than ten days prior to the date of the convention. All proposed resolutions and amendments shall be accompanied by a brief statement of their purposed and shall be

referred for consideration and report to the appropriate committee of the convention. Resolutions may be submitted for referral to the Resolutions Committee prior to 11:00 AM of the opening session of the convention by a 2/3 vote of the delegates. This paragraph does not apply to resolutions and amendments proposed by the Policy Board.

(c) The President may with consent of the Board appoint such committees as deemed necessary for the proper conduct of the convention, including without limitation, committees on arrangements, credentials, registration, resolutions, amendments and elections.

Section 3.4 Voting

- (a) Decisions at any convention shall be by simple majority of those present and entitled to vote. Votes shall initially be voice votes. A division of the house shall be taken if, in the opinion of the chair or any ten delegates, the issue is in doubt. The provisions of this paragraph do not apply to proposed amendments to the Articles of Incorporation of the Federation.
- (b) Elections shall be by secret ballot as to any contested office.
- (c) There shall be no voting by proxy at any convention.
- (d) Each individual member or delegate from a member organization shall be entitled to only one vote. A delegate may not vote both as an individual member and as a delegate from a member organization.
- (e) Members are entitled to vote at any convention provided they are paid-up members in good standing for the fiscal year January 1 to December 31 in which the convention is held, and have been members of the Federation for not less than thirty days prior to the convention. Prior to each convention, the President shall appoint a committee to resolve any disputes pertaining to voting rights. The decisions of the committee may be appealed to the convention.
- (f) Regardless of type of membership, each individual member shall be entitled to one vote. Regardless of type of membership, each organization member shall be entitled to two delegates with one vote each at all conventions of the membership, provided that organization's members shall be entitled to two additional voting delegates for the second 250 members upon payment of dues as provided for by the policy Board. Each organization member shall be entitled to one additional delegate for each additional 250 members up to 1,000 members and one additional voting delegate for every additional 500 members upon payment of dues as provided for by the Policy Board, and further provided that no organization member shall be entitled to more than 10 delegates.

Section 3.5 Ouorum

A quorum of the general convention or a special convention shall consist of one-quarter of the members or delegates duly accredited to and registered at the convention.

Section 3.6 Presiding

At every convention the President, or in the President's absence a Vice President, or in absence of a Vice President, the Policy Board member designated by the President, or in the absence of such designation, a Chair chosen by a majority of those present and entitled to vote, shall act as Chair. The Secretary of the corporation, or in the Secretary's absence an assistant Secretary, shall act as Secretary of all conventions.

In the absence of the Secretary and Assistant Secretary, the Chair may appoint another person to act a Secretary of the convention.

Section 3.7 Special Conventions

- (a) Special conventions may be called by the Policy Board.
- (b) Written notice of the time and place of holding a special convention shall be mailed to each member at his/her address as it appears on the membership records of the Federation at least thirty days preceding the date of the convention. Such notice shall also state the general nature of the business to be transacted and no other business shall be transacted at any special convention.

ARTICLE 4 Policy Board

Section 4.1 Powers

The Policy Board of the Federation shall be the governing body of the Federation between conventions, and as such shall act in the name of the Federation. The Policy Board may exercise all powers permitted by law, not inconsistent with the Articles of Incorporation or Bylaws of the Federation, and shall have power to conduct, manage and control the affairs of the Federation between conventions, adopt and update policy statements and make rules and regulations therefore it deems best and not inconsistent with law, the Articles of Incorporation, Bylaws and the decisions of the convention.

Section 4.2 Members

In addition to the officers of the Federation, the Policy Board shall consist of twenty four members, twelve members to be elected to serve four year terms at each biennial convention. No organizational member shall have more than three members on the Policy Board at any one time.

Section 4.3 Vacancies

- (a) Vacancies on the Policy Board may be filled by appointment of the remaining Board members, and each Board member so elected shall hold office until the Board member's successor is elected at a biennial convention. A vacancy or vacancies of the Policy Board shall be deemed to exist in the case of the death, resignation, removal, or recall of any Board member, or if the authorized number be increased, or if the members fail at any convention at which any Board member or members are elected to elect the full authorized number of Board members to be voted for at that convention, or if any Board member is absent from three (3) consecutive meetings of the Policy Board and the Board fails to adopt at any of those three meetings or at the next regular or special meeting of the Board a resolution excusing such absence.
- (b) Any Board member may resign at any time by giving written notice to the President or Secretary of the Federation or to the Board. Such resignations shall take effect at the time specified therein, and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective. If no time is specified therein, the resignation shall be effective upon receipt.
- (c) Members may elect the additional Policy Board members created by an amendment to the Bylaws authorizing an increase in the number of Board members at the same convention at which such amendment to the Bylaws is approved.

(d) No reduction of the authorized number of Board members shall have the effect of removing any Board member prior to the expiration of his term of office.

Section 4.4 Compensation

Board members as such shall not receive any stated salaries for their services, but by resolution of the Policy Board, the President may receive a monthly stipend for services and expenses, and a fixed sum and expenses of attendance, if any may be allowed for Board member attendance at such regular or special meeting of the Board or for attending other meetings as a designated representative of the Federation; but nothing herein contained shall be construed to preclude any Board member from serving the corporation in any other capacity and receiving compensation therefore.

Section 4.5 Meetings

- (a) Regular meetings of the Policy Board may be held at any time and place which has been designated from time to time by resolution of the Board or by written consent of twothirds of the members of the Board.
- (b) Immediately following each biennial convention, the Board shall hold a regular meeting in the same city for the purpose of organization and transaction of other business. Notice of such meeting is hereby dispensed with. Such organization meeting may be held at any other time or place which shall be specified in a notice as hereafter provided for special meetings or in a consent and waiver of notice thereof signed by two-thirds of all Board members.
- (c) Special meetings of the Board for any purpose of purposes may be called at any time by the President, or if the President is absent or unable or refuses to act, by any ten members of the Board. Special meetings may be held at any place in the state of California, but in the absence of a consent signed by all Board members, shall be held only in Los Angeles, San Francisco, or Sacramento.
- (d) At least seven days before the day on which a special meeting of the Board is to be held, written notice of the time and place of the special meeting shall be delivered personally to each member or sent to each Board member by certified communication, charges prepaid, addressed to the Board members at the address as shown in the records of the Federation. Such communication shall be due legal and personal notice to such Board member.
- (e) In addition to the organization meeting, the Policy Board shall hold at least one meeting between biennial conventions.

Section 4.6 Quorum

One-fourth of the number of Policy Board members, less vacancies shall constitute a quorum of the Board necessary for the transaction of business, except to adjourn as hereinafter provided, and except that when a quorum consists of fewer than fifty percent (50%) of the members of the Board, such quorum must include either the President or a Vice President. Every act or decision done or made by the majority of the Board members present at the meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number be required by law, by the Article of Incorporation, or by these Bylaws. A Policy Board member, who cannot attend a Policy Board meeting, can name a proxy, verbally or in writing, either by designating the proxy by name or by authorizing the Presiding Officer to assign the proxy at the time of the Board meeting. The proxy must be a Board member. No Board member may have more than two votes, one vote as a Board member and one vote as a proxy for another Board member.

Section 4.7 Adjournment

A quorum of the Board members may adjourn any Board meeting to meet again at a stated day and hour; provided, however, than in the absence of a quorum, a majority of the Board members present at any Board meeting, either regular or special may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 4.8 Conduct of Meetings

At every meeting of the Board, the President, or in the absence of the President, a Vice President, or in the absence of a Vice President, a Policy Board member designated by the President, or in the absence of such designation, a Chair chosen by a majority of the Board members present, shall preside. The Secretary of the Federation shall act as Secretary of the Board. In case the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall perform the duties of the Secretary at such meeting, and in the absence from any such meetings of both the Secretary and the Assistant Secretary, the Chair may appoint any person to act as Secretary of the meeting.

Section 4.9 Indemnification of Policy Board Members and Officers

Each Board member and officer, whether or not then in office, shall be indemnified by the corporation against all liabilities, costs and expenses reasonably incurred by or imposed upon such Board member or officer in connection with or arising out of any action, original proceeding, suit or proceeding in which the Board member or officer may be involved or to which the Board member or officer may be made a party by reason of being or having been a board member or officer of the corporation, such expenses to include the cost of reasonable settlements (other than amounts paid to the corporation itself) made with a view to curtailment of costs of litigation. The corporation shall not, however, indemnify such Board members or officers with respect to matters as to which the Board member or officer shall be finally adjudged by a twothirds vote of the Policy Board, which may be appealed at the next convention, in any such action, suit or proceeding to have been derelict in the performance of the duty of such Board member or officer, nor in respect of any matter on which any settlement or compromise is effected, if the total expense, including the cost of such settlement, shall substantially exceed the expense which might reasonably be incurred by such Board member or office in conducting such litigation to a final conclusion; and in no event shall anything herein contained be so construed as to authorize the corporation to indemnify any such Board member or officer against any liability or expense by reason of any act known by such Board member or officer at the time of doing it to be unlawful, nor against any liability or expense by reason of willful malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of a Board member or officer.

The corporation may pay, in whole or part, any premium or other charge for any type of indemnity insurance to insure the indemnity of Board members against liability or loss arising out of actual or asserted misfeasance or nonfeasance in the performance of duties of the Board member or of the corporation.

Section 4.10 Employees

The Policy Board may hire and set the compensation of employees, require from them security for faithful service, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the Bylaws and remove any employee for cause. The Policy Board may hire an employee to direct the day to day operations of the Federation, and delegate to this employee the supervision, hiring and setting of compensation of other Federation employees. Any employee designated to direct the day-to-day operations of the Federation shall report to the President, and through the President, to the Policy Board.

Section 4.11 Committees

- (a) The President shall, with consent of the Policy Board, appoint an Executive Committee consisting of not less than five Board members in addition to the officers who will automatically serve, and other committee, and delegate to them such duties and powers as deemed proper, except the power to amend, repeal or add bylaws. The Executive Committee shall serve as the budget committee and audit committee, and shall review the performance of any employee designated by the Policy Board to direct the day to day operations of the organization under the supervision of the President.
- (b) The President shall, with consent of the Policy Board, appoint a Nominating Committee which shall make nominations for all positions on the Board and in the offices to be voted on at the biennial convention. The nominations of the Committee shall be mailed to members together with or as part of the notice of the convention. Additional nominations may be made from the floor of the convention.

ARTICLE 5 Officers and Elections

Section 5.1 Officers

The officers of the Federation shall be a President, three Vice Presidents, a Secretary and a Treasurer.

Section 5.2 Election

The President, Vice Presidents, Secretary and Treasurer of the Federation shall be elected biennially by the membership in convention. Each officer shall hold office until said officer shall resign or shall be removed or otherwise disqualified to serve, or said officer's successor shall be elected and qualified.

Section 5.3 Removal of Officers

The Policy Board may at any regular meeting by a two-thirds vote of the entire Board, remove any officers of the Federation for just cause, and appoint a successor pending the next biennial convention.

Section 5.4 President

The President shall be the principal officer of the Federation. The President shall preside at all conventions, all meetings of the Policy Board and the Executive Committee. The President may appoint committees of the Policy Board, subject to the provisions of the Bylaws, and of the membership and the convention. The President shall use such general powers as are usually vested in the office of President of a corporation subject to the provisions of the Bylaws, and shall have such other powers and duties as may be prescribed by the Policy Board. Any employee of the Federation designated by the Policy Board to direct the day to day operations of the Federation shall report to the President, and through the President, to the Policy Board. In the decisions of the membership, the Policy Board and the Executive Committee, the President shall have a casting vote to make or break a tie.

Section 5.5 Vice Presidents

The Vice President designated by the President (or if there is not such designation, the Vice President designated by the Policy Board), at the request of the President or in the President's absence, shall assume the duties and responsibilities of the President. The Vice Presidents shall also have such duties and responsibilities as the Policy Board may assign to them. The Policy Board, with the advice of the President, shall assign to each Vice President specific areas of responsibility within the operations of the Federation.

Section 5.6 Secretary

The Secretary shall be the recording officer of the Federation and shall have such powers and duties as prescribed by the convention, the Policy Board and, between meetings of the Board, by the President. In addition, the Secretary shall:

- (a) Certify and keep at the principal office of the Federation the original or a copy of its Bylaws as amended or otherwise altered to date.
- (b) Keep at the Principal office of the Federation or at such other place as the Board may direct, a book of minutes of all meetings of the Policy Board and of Conventions, with the time and place of holding, whether regular or special and if special, how authorized, the notice thereof, the names of those present at Board meetings, and the proceedings thereof.
- (c) See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.
- (d) Be custodian of the records and seal of the Federation.
- (e) Keep at the principal office of the Federation accurate membership records, showing the names of members, their addresses, the amount of dues paid, and in case of organization members, the number of delegates to which each organization member is entitled.
- (f) See that the books, reports, statements and all other documents and records required by law are properly kept and filed.
- (g) In general, perform all duties incidental to the office of Secretary.

Section 5.7 Treasurer

If required by the Policy Board, the Treasurer shall give a bond for faithful discharge of the Treasurer's duties in such sum and with such surety or sureties as the Policy Board shall determine, the cost of such bond to be borne by the federation. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article 9 of these Bylaws; and in general, perform all the duties incidental to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or the Policy Board.

Section 5.8 Vacancies

A vacancy in any office because of death, resignation, removal, recall or any other cause may be filled by the Policy Board and every officer so elected to fill a vacancy shall hold said office until a successor is elected at the general convention.

ARTICLE 6 Standing Committees

Section 6.1 Committee on Public Advocacy

The Federation shall actively encourage and support the representation of consumers before legislative and administrative agencies.

The President may appoint, with consent of the Board, a Committee on Public Advocacy which shall receive direction from the Policy Board.

The Committee may, on particular consumer issues, work cooperatively with member and non-member organizations and individuals. In pursuing its advocacy function, the Federation shall seek to build effective consumer coalitions around specific action programs.

Section 6.2 Committee on Regional and Local Consumer Organizations

The Federation shall actively encourage and support the formation of regional and local consumer organizations which shall be eligible for membership in the Federation in accordance with policies set forth by the Policy Board. The Policy Board may establish a committee on Regional and Local Consumer Organizations whose members shall be selected from among the members appointed to the aforesaid committee, including the Chair, shall be from local consumer organizations, previously affiliated with the Federation for not less than thirty (30) days. The Committee, under the Policy Board, shall have the following responsibilities.

- (1) Actively encourage and support the formation of local and regional consumer organizations in every way the committee, with Executive Committee approval, deems feasible, and to respond to every reasonable local consumer group request.
- (2) Establish liaison with newly formed local and regional consumer groups and to encourage their affiliation with the Federation.
- (3) Recommend to the Executive Committee policies and procedures regarding the affiliations of such groups.

Section 6.3 Committee on Research and Education

The Federation shall actively promote education and research in the interests of consumers. For this purpose, the Policy Board may establish a committee on Research and Education which shall have the authority, with the approval of the Policy Board, to develop and pursue educational and research goals in cooperation with other organizations whose interest are compatible with the purposes and objectives of the Federation.

Section 6.4 Committee on Public Agencies

The Federation shall actively evaluate and assist public agencies in the performance of their consumer protection and education responsibilities. For this purpose, the Policy Board may establish a Committee on Public Agencies to assist, encourage, and evaluate the performance by public agencies of their consumer protection and education responsibilities.

Section 6.5 Committee on Political Action

The Federation shall actively participate in political activity to advance the interests of consumers. For this purpose, the President may appoint, with the consent of the Policy Board, a Committee on Political Action to evaluate candidates, measures and related political activities. The Committee on Political Action shall recommend for approval by the Policy Board an endorsement process to follow in each election.

ARTICLE 7 Recall

Section 7.1 Method

Any officer or member of the Policy Board may be recalled by the following method: upon petition of at least twenty percent of the voting members, the Secretary or other officer specified in the petition shall conduct a recall election by mail ballot. The ballot sent to each member shall contain two statements of not more than 400 words each, one by a proponent of the recall and one by an opponent of the recall. The latter statement shall be one approved by the person whose recall is sought. A majority of notes received up to the time limit set shall determine the election. Each organization member shall be entitled to cast a number of votes equal to the number of delegates to which it would be entitled at a convention. Regulations governing the conduct of mail ballot under this article shall be made by the Policy Board.

Section 7.2 Limitations

- (a) No more than two-thirds of the Policy Board members may be sought to be removed in any one recall election.
- (b) A recall petition shall not be acted upon if it is filed within ninety days before or after the holding of an annual convention.
- (c) As to any officer or Policy Board member only one recall petition shall be acted on in any twelve-month period.

ARTICLE 8 Adoption and Amendment of Bylaws

Section 8.1 Amendment

These bylaws and any provision thereof may be amended or repealed by a vote of the majority of those present and entitled to vote at any general or special convention.

Section 8.2

These By-laws, and any provisions thereof, may be amended by the Policy Board, if such amendments are now or hereafter required to comply with changes in California non-profit corporation laws as well as to comply with California and federal laws pertaining to tax exemption status of non-profit benefit corporations.

ARTICLE 9 Contracts, Checks, Deposits and Funds

Section 9.1 Contracts

The Policy Board may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 9.2 Checks, Drafts, Etc.

All check, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or offices, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Policy Board. In the absence of such determination by the Policy Board, such instruments shall be signed by the Treasurer, and countersigned by the President or a Vice President of the corporation.

Section 9.3 Deposits

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Policy Board may select.

Section 9.4 Gifts

The Policy Board may accept on behalf of the corporation any contributions, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

ARTICLE 10 Books and Records

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Policy Board meetings, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or a member's agent or attorney for any proper purpose at any reasonable time.

ARTICLE 11 Fiscal Year

The fiscal year of the corporation shall begin on the first day of January and end of the last day of December in each year.

Article 12 Seal

The Policy Board may provide a corporate seal, which shall be circular in form, and shall have inscribed thereon the name of the corporation, the date of its incorporation and the world "California."

State of California Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of __/S_ page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAY 2 6 2006

BRUCE McPHERSON Secretary of State are:

ARTICLES OF INCORPORATION

OF

ASSOCIATION OF CALIFORNIA CONSUMERS

FILED

AUG 16 1360

The name of this corporation is: ASSOCIATION OF CALIFORNIA CONSUMERS

II

The purposes for which this corporation is formed

- (a) The specific and primary purposes for which this corporation is formed are to enable consumers to organize and represent themselves collectively, to provide education and information services to consumers, to render them assistance and consultation, and to advocate their interests.
- (b) To exercise any, all and every power which a non-profit corporation organized under the provisions of the General Nonprofit Corporation Law of the State of California may now or hereafter exercise.

III

This corporation is organized under the General Nonprofit Corporation Law of the State of California.

TV

The county in this State where the principal office for the transaction of the business of the corporation is located is the County of Los Angeles.

The names and addresses of the persons who are to act in the capacity of directors as members of the

Executive Board of the corporation until the selection of their successors are:

Name

PETER H. ODEGARD

MARY PRIOR

CLARENCE MURPHY

LEONARD KRUPNICK

EDWARD L. RADA

JACKIE WALSH

SUSAN ADAMS

ANTHONY ANSELMO

WILLIAM BROWN

GEORGE BRUNN

ROY CAVE

MORT COLODNY

EVA CONTENT

TED ELLSWORTH

SA'C EUBANKS

VIRGINIA FRITSCH

WEBE GREEN

ALVIN GRUHN

Address

2630 Cedar Street Berkeley, California

108 West 6th Street Los Angeles 14, California

5464 Foothill Blvd. Oakland 1, California

822 Anthony Street Berkeley 10, California

749 Lakewood Place Pasadena, California

870 Market Street San Francisco, California

108 West 6th Street Los Angeles 14, California

870 Market Street San Francisco, California

1414 University Avenue Berksley, Galifornia

41 Sutter Street San Francisco 4, California

467 Kentucky Avenue Berkeley, California

1414 University Avenue Berkeley, California

1414 University Avenue Berkeley, California

9043 Eurroughs Road Los Angeles 46, California

821 Market Street, Rm. 446 San Francisco, California

2021 S. Barrington Ave. Los Angeles 25, Calif.

108 West 6th Street Los Angeles 14, California

995 Market Street San Francisco, California Name

RUTH GUPTA

CHARLES HARDING

JOHN HUTCHINSON

MARION ISRAEL

GEORGE KRELL

SYLVIA LANE

WILMS, MITTELBERG

WILLIAM T. O'REAR

JEROLD D. REES

CARLENE ROSE

ROBERT SMITH

CARTON TAYLOR

DONALD VIAL

Address

2237 Chestnut Street San Francisco 23, California

108 West 6th Street Los Angeles 14, California

646 Humboldt Street Richmond, California

2021 S. Barrington Avenue Los Angeles 25, California

942 Market Street, Rm. 603 San Francisco, California

University of Southern California, University Park Los Angeles 7, California

3221 Mountain View Avenue Sacramento 21, California

2135 Fresno Street, Rm. 247 Fresno 21, California

525 E. Street San Diego, California

1353 Wishon, Fresno 4, California

164 So. California Street Palo Alto, California

5365 No. Mariposa Street Fresno 26, California

995 Market Street San Francisco, California

VI

An existing unincorporated association is being incorporated. The name of the existing unincorporated association is CALIFORNIA CONSUMERS ASSOCIATION.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the General Nomprofit Corporation Law of the State of California, the undersigned, constituting

the President and Secretary of CALIFORNIA CONSUMERS ASSOCIATION, an unincorporated association, have executed these Articles of Incorporation this 22nd day of June, 1960.

STATE OF CALIFORNIA CITY AND COUNTY OF SAN FRANCISCO SS.

On this 22nd day of June, 1960, before me, a Notary Public, in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn, personally appeared PETER H. ODEGARD, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS MY HAND and official seal.

NOTARY PUBLIC

In and for the City and County of San Francisco, State of California. My commission expires: 2 19/962

STATE OF CALIFORNIA CITY AND COUNTY OF SAN FRANCISCO)

On this 24 day of June, 1960, before me, a Notary Public in and for the County of Los Angeles, State of California, residing therein, duly commissioned and sworn, personally appeared MARY PRYOR, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

WITNESS MY HAND and official seal.

NOTARY PUELIC

In and for the County of Los Angeles, State of California.

My commission expires:

PAULINE BENSON MY COMMISSION EXPIRES JULY 7, 1504 STATE OF CALIFORNIA CITY AND COUNTY OF SAN FRANCISCO) 55.

PETER H. ODECARD, having first been duly sworn,

deposes and says:

That he is the president of CALIFORNIA CONSUMERS ASSOCIATION, an unincorporated association, that said association has duly authorized its incorporation, and has authorized affiant and MARY PRYOR, the secretary of said association, to execute the articles of incorporation.

PETER H. ODEGARD

Subscribed to and sworn before me this 22nd day of June, 1960.

Marie & Pice MARIE C. AIRE

In and for the City and County of San Francisco, State of California. My commission expires: 2019

STATE OF CALIFORNIA) ss.

MARY PRIOR, having first been duly sworn, deposes and says:

That she is the secretary of CALIFORNIA CONSUMERS ASSOCIATION, an unincorporated association; that said association has duly authorized its incorporation, and has authorized affiant and PZTER H. ODEGARD, the president of said association, to execute the articles of incorporation.

Mary Pryor

Subscribed to and sworn before me this 24 day of Jung, 1960.

NCTARY PUBLIC

In and for the County of Los ingeles, State of California.

My commission expires:

PAULINE BENSON MI COMMISSION LEVELS INC. 7, 1866

A123349
In the office of the Secretary of State
of the State of California

JUN 3 0 1972

CERTIFICATE OF AMENDMENT

OF

By Brown Jr. Socretary of State of Deputy

ARTICLES OF INCORPORATION

OF

ASSOCIATION OF CALIFORNIA CONSUMERS

۶ş

FRANK C. DAMRELL, JR. and RECINA A. SNEED certify:

- They are the president and the secretary, respectively, c* the Association of California Consumers, a California corporation.
- At a meeting of the board of directors of the corporation, held at Los Angeles, California, on March 17, 1972, the following resolution was adopted:

"FESOLVED: Article I of the Articles of Incorporation of this corporation be amended to read as follows:

'The name of this corporation is: CONSUMER FEDERATION OF CALIFORNIA'

"RESOLVED, FURTHER, that Article II of the Articles of Incorporation of this corporation be amended to read as follows:

からりないのこととこととことと ちゅうれいここまついないからないかんからなななななな

'The purposes for which this corporation is formed are:

- (a) The specific and primary purpose for which this corporation is formed is to promote the interests of urban and rural consumers, using peaceful, lawful methods to: (1) agree upon specific consumer legislation and issues, and to propose and marshall support for such legislation and issues, at all levels of government; (2) represent consumers before public and private agencies at all levels; (3) promote the organization of local consumer groups and encourage their affiliation with the Federation; and (4) cooperate with the Consumer Federation of America and similar state and national federations.
- (b) To solicit, collect, receive, acquire, hold and invest money and property, both real and personal, received by gift, contribution, bequest, devise or otherwise; to sell and convert property, both real and personal,

05-31-06

- (c) To act as trustee under any trust created to furnish funds for the principal objectives of the corporation and receive, hold, administer and expend funds and property subject to such trust;
- (d) To purchase or otherwise acquire, own, hold, sell, assign, transfer or otherwise dispose of, mortgage, pledge or otherwise hypothecate or encumber, or to deal in and with shares, bonds, notes, debentures or other securities or evidences of indebtedness of any person, firm, corporation or association and, while the owner or holder thereof, to exercise all rights, powers and privileges of ownership;

- (e) To purchase or otherwise acquire, own, hold, use, lease (either as lessor or lessee), sell, exchange, assign, convey or otherwise dispose of and mortgage or otherwise hypothecate or encumber real and personal property;
- (f) To borrow money, incur indebtedness, and to secure the repayment of the same by mortgage, pledge, deed of trust, or other hypothecation of property, both real and personal;
- and carry out contracts of every kind for any lawful purpose without limit as to amount, with any person, firm, association or corporation, municipality, county, parish, state, territory, government (foreign or domestic) or other municipal or governmental subdivisions; and
- (h) To do all things necessary, expedient or appropriate to the accomplishment of any of the objects and purposes for which this

corporation is formed, and generally to exercise all such powers as are now or may hereafter be conferred by law upon non-profit corporations under the laws of the State of California.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in such clauses, except where otherwise expressed, shall be in nowise limited or restricted by reference to or inference from the terms or provisions of any other clauses, but shall be regarded as independent purposes and powers.

Notwithstanding any of the above statements of purposes and powers, this corporation shall not engage in activities which in themselves are not in furtherance of the purposes set forth in subparagraph (a) of this Article II.

"RESOLVED, FURTHER, Article V of the Articles of Incorporation of this corporation be amended by adding the following thereto:

'The number of directors may
be fixed or changed from time to time by
amendment of the Articles of Incorporation

of this corporation, or by amendment of the By-Laws of this corporation duly adopted by the vote of a majority of those present and entitled to vote at a meeting of members duly called pursuant to the By-Laws.'"

"RESOLVED, FURTHER, the Articles of Incorporation of this corporation be amended by adding Article VII to read as follows:

The authorized number and qualifications of members of this corporation, the different classes of membership, if any, the property, voting and other rights and privileges of members and their liability for dues and assessments and the method of collection of dues and assessments shall be as set forth in the By-Laws. No member, officer or director shall be personally liable for any of the debts, liabilities or obligations of the corporation, nor shall personal liability in any event attached to any member of this corporation in connection with any of its undertakings; all of its

liabilities shall be limited to its common funds and assets.'"

that the Articles of Incorporation may be amended by a policymaking committee created by resolution of two-thirds of a quorum of the members of the corporation to represent and act for the corporation members in the matter of amendment of the Articles of Incorporation.

Such a committee was formed by the members by a resolution adopted on March 18, 1972, at a meeting held in Santa Monica, California. Such committee was composed of three members. All three members of such committee voted affirmatively to adopt the amendment, in the particulars set forth in the directors' resolution in paragraph 2 above, on March 18, 1972, at a meeting held in Santa Monica, California.

FRANK C. DAMRELL, JR

N TO THE PARTY OF THE PARTY OF

President

REGINA A. SNEED

Secretary

STATE OF CALIFORNIA SS. COUNTY OF SAN FRANCISCO

FRANK C. DAMRELL, JR. and REGINA A. SNEED, being first duly sworn, each for himself alone, deposes and says:

That Frank C. Damrell, Jr., the President of Association of California Consumers, the California corporation mentioned in the foregoing Certificate of Amendment, and Regina A. Sheed is the Secretary of said corporation; that each has read said Certificate and that the statements therein made are true of his own knowledge, and that the signatures purported to be the signatures of said President and Secretary thereto are the genuine signatures of said President and Secretary, respectively.

Subscribed and sworn to before me this 20

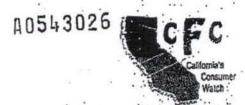
and for the State

of California

OFFICIAL SEAL DUANE L. NELSON TELEY PUBLIC . CALIFORNIA PRINCIPAL DEFICE IN STANISLAUD COUNTY n Expires July 21, 197



1228 N Street, Suite 29 Secramento, CA 95814 (916) 554-7621 FAX (916) 442-1877



0401096

Albh Gruhn, President Matthew McKinnon, Vice President Regene Milchell, Viola President Patricia Garcia, Vice President James Gordon, Jr., Treasurer Dora "Mitzi" Rodriguez, Secretary

Consumer Federation of California

FILED in the office of the Secretary of State of the State of California

APR 1 4-2000

Amendment and Restatement of. Articles of Incorporation

The undersigned certify that:

They are the Vice President and the Treasurer, respectively, of the Consumer Federation of California, a California public benefit corporation and as officers of the corporation do hereby agree to the following restatement and amendment to the Articles of Incorporation.

The entire Articles of Incorporation are amended and restated to read as follows:

- ĭ. The name of this corporation is Consumer Federation of California.
- This corporation is a nonprofit public benefit corporation and is not organized for 11. the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.
- The specific purpose of this corporation is to promote the interests of consumers. III. using peaceful lawful methods to: (1) agree upon specific consumer legislation. and issues, and to propose and marshal support for such legislation, and issues, at all levels of local, state and federal government; (2) represent, advocate or promote consumers before any or all public agencies or decision making bodies at all levels of local, state or federal government and before any or all private organizations, agencies, commissions or decision making bodies: (3) To represent consumers and the interests of residential customers for the purpose of participating in administrative, commission proceedings and litigation within the maximum legal limits allowed of a 501(c)(4) tax exempt corporation under Federal and California law; (4) To promote the organization of local consumer groups and encourage their affiliation with the Consumer Federation of California; and (5) To cooperate with the Consumer Federation of America and similar state and national federations.

- IV. This corporation elects to be governed by all of the provisions of the Nonprofit Corporations Law of 1980 not otherwise applicable to it under part 5.
- V. This corporation is organized and operated exclusively for the promotion of social welfare purposes within the meaning of IRC Section 501(c) (4).
- VI. The property of this corporation is irrevocably dedicated to social welfare purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.
- VII. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a non profit fund, foundation, or corporation which is organized and operated exclusively for social welfare purposes and which has established its tax exempt status under IRC Section 501(c) (4).

The foregoing amendment and restatement of Articles of Incorporation has been duly approved by a majority of the members of the corporation.

The foregoing amendment and restatement of Articles of Incorporation has been duly approved by a majority of the board of directors of this corporation pursuant to the powers vested in the board of directors in accordance to the Bylaws of this corporation.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth under this certificate are true and correct of our own knowledge.

Date

Mathew Mckinnon, Vice President



EXHIBIT B

Exhibit B: Approximate number of current of members (Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(B)).

The approximate number of current of members (Cal. Code Reg. § 2662.2(a)(2)(B)) is 101 dues paying members comprised of approximately 62 individuals and 39 organizational members.

EXHIBIT C

A list of CFC's current Policy Board, 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 (Cal. Code Reg. § 2662.2(a)(2)(C)).

Seat	Seat Type	First Name	Last Name	Organization	Address	City, State, Zip
	Org	Ameenah	Salaam	Communication Workers of America, District 9	2804 Gateway Oaks Drive, #150	Sacramento, CA 95833
		VACANT				
	Org	Doug	Bloch	Teamsters Joint Council #7	250 Executive Park Blvd, Ste. 310	CSan Francisco, CA 94134
	Individual	Thomas	Papageorge			
	Org	Lenny	Goldberg	California Tax Reform Association	1107 9th Street #880	Sacramento, CA 95814
	Org	Santosh	Seeram-Santana	Asian Americans for Civil Rights & Equality	1225 8th Street, Suite 590	Sacramento, CA 95814
	Org	Bill	Allayaud	Environmental Working Group	1107 9th Street, Suite 625	Sacramento, CA 95814
	Org	Jim	Beno	Machinists District Lodge 190		
	Org	VACANT				
	Org	Greg	Larkins	Sacramento CLC	2840 El Centro Road, Suite 111	Sacramento, CA 95833
	Org	Noe VACANT	Paramo	CA Rural Legal Assistance Foundation	P.O. Box 684	Modesto, CA 95353
	Individual	Barry	Broad	Broad & Gusman	1127 11th Street, Suite 512	Sacramento, CA 95814
	Org	Jeremy	Smith	State Building Trades Council of CA	authorized Company and Commission Commission (Commission Commission Commissio	
	Org	Michael	Hardeman	Sign Display & Allied Crafts Union (Retired)		
	Individual	Carol	Moss	Older Women's League, Capital	P.O. Box 161646	Sacramento, CA 95816
	Org	Joseph	Ridout	Consumer Action	221 Main Street, Suite 480	San Francisco, CA 94105
	Individual	Richard	Holober	Consumer Federation of California		
	Org	Josh	Pechthalt		2550 N. Hollywood Way, Suite 400	Burbank, CA 91505
	Individual	Dolores	Huerta	Dolores Huerta Foundation	P.O. Box 2087	Bakersfield, CA 93303
	Org	Jim	Araby	UFCW Western States Council	PO Box 5158	Buena Park, CA 0622
	Org	Mark	Toney	The Utility Reform Network	785 Market Street, Suite 1400	San Francisco, CA 94103
	Org	Emily	Rusch	CALPIRG	483 9th St., Suite 100	Oakland, CA 94607
	Org	Allen	Freemon	California Teachers Association		
President	Org	James	Gordon	Communication Workers of America		
Secretary	Individual	Lucinda	Sikes			
Treasurer	Org	Nancy	Peverini	Consumer Attorneys of California	770 "L" Street, Suite 1200	Sacramento, CA 95814
Vice President	Individual	Patty	Garcia			
Vice President	Org	Malinda	Markowitz	California Nurses Association		
Vice President	Org	Rosemary	Shahan	CARS	1303 "J" Street, Suite 270	Sacramento, CA 95814

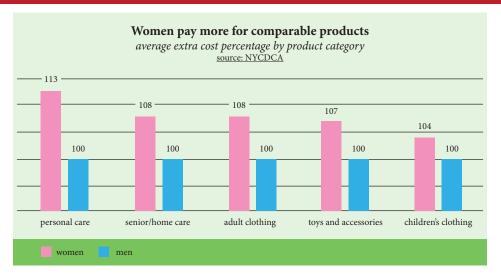
EXHIBIT D

Exhibit 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 (Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(D).

The newsletter has a circulation of about 11,000. Examples of the publication can be found on the next and subsequent pages.

Calfornia Consumer

THE NEWSLETTER OF THE CONSUMER FEDERATION OF CALIFORNIA



Prices of personal care products for girls and women average 13% more than similar products for boys and men, according to the New York City Department of Consumer Affairs. Prices of women's senior and home care products average 8% more, as do those for articles of adult clothing; the cost of girls' toys and accessories averages 7% more, and girls' clothing costs an average 4% more than boys'.

CFC Sponsors SB 899 (Hueso) To End Gender Bias In Retail Prices

Women shouldn't be charged more than men for substantially similar products. But the marketplace is riddled with examples of such injustice, and that's why Consumer Federation of California (CFC) is sponsoring Senate Bill 899 (Hueso).

Many common consumer items that people rely on every day – from health and personal care products to clothing – cost more for girls and women than equivalent items that are marketed for boys and men. It's sometimes called "the gender tax" or "the pink tax," but it wasn't imposed by any government. Instead, corporations seeking higher profits take it upon themselves to pad their prices for women's and girls' goods and pocket the difference. SB 899 will remedy that in California.

"All consumers, regardless of their gender, should pay the same price for the same product. Pink packaging or gender-based marketing is no justification for charging more. Anything less than an equal price is discrimination and blatantly unfair," said Richard Holober, CFC's Executive Director.

Research conducted for the California Legislature in 1994 concluded that women paid \$1,350 more than men for equivalent products and services annually. AB 1100 (Speier), the Gender Tax Repeal Act of 1995, barred gender-based pricing for services, such as dry cleaning and haircuts. Unfortunately, provisions that addressed price discrimination in products were amended out of the bill as it moved through the Legislature.

"It is unfair that female products are priced higher than men's," Senator Ben Hueso (D-San Diego) said when he introduced SB 899 earlier this year. "Why are retailers pulling extra money from women when data already shows that they earn about 84 cents for every dollar men earn? This needs



Here's a partial list of key bills CFC is working on this session. Watch for updates on these bills at bit.ly/CFCspringupdate.

CFC-Sponsored Bills

SB 648 (Mendoza) Would improve seniors' assisted-care referrals by requiring licensing of private agencies that refer seniors to residential care facilities for the elderly, as well as disclosure of payments that a referral agency receives from a facility.

SB 899 (Hueso) Would extend the state's existing prohibition on discrimination with respect to the cost of services because of a person's gender to also prohibit cost discrimination for a similar product based on the gender for which the product is marketed.

CFC-Supported Bills

AB 2707 (Ridley-Thomas) Would prohibit a business from using racial profiling to deny or degrade a product or service to a consumer.

AB 2795 (Lopez) Would prohibit a telephone company from charging a customer to have an unlisted phone number for a home landline.

SB 215 (Leno) Would require the California Public Utilities Commission to adopt procedures on disqualification of commissioners due to bias or prejudice similar to those of other state agencies and superior courts.

SB 778 (Allen) Would require an automotive repair business to notify a customer purchasing an oil change of the vehicle owner's manual specifications for oil change frequency, oil grade and viscosity, and to use those specifications in recommending the date or mileage for the next oil change.

CFC Sponsors SB 899 (Hueso) To End Gender Bias In Retail Prices

CONTINUED FROM PREVIOUS PAGE

Products for women and girls cost more 42% of the time.

to change. It's about time we stand up to the retailers and fight for equal product pricing for all."

SB 899 reflects the latest research on the issue: "From Cradle to Cane: The Cost of Being a Female Consumer," published by the New York City Department of Consumer Affairs in December 2015. It examined nearly 800 individual retail items that are available nationwide and "had similar male and female versions and were closest in branding, ingredients, appearance, textile, construction, and/or marketing." Overall, the study found products for women and girls cost more 42 percent of the time; on average, the difference was 7%.

Some of the most brazen examples:

• Senior and home health care products (canes, ankle and wrist braces, adult diapers, etc.): Studying over 100 items, researchers found that those marketed to women cost an average 8% more than similar products for men. Personal urinals – plain plastic containers for people with limited mobility, with little or no difference between men's and

women's models – averaged 21% higher; supports and braces for backs and joints were 15% higher.

- Personal care products (the most frequently used and bought category): Of 122 items studied in this category, women's cost 13% more overall, with items such as shampoo and conditioner running 48% higher and razors, razor cartridges and lotions all 11% higher when the only apparent differences were in packaging, contours and color.
- Adult clothing: Of 292 comparable items, women's apparel cost 8% more on average. Shirts for women averaged 15% higher than men's, "dress shirts" 13%, and jeans 10%.
- Toys and accessories: With 106 products examined, average prices ran 7% higher for girls; female skateboarders' and cyclists' protective helmets and pads typically cost 13% more.
- Children's clothing (168 items studied): Girls' prices averaged 4% higher than boys' in general and 13% higher for shirts in particular.



2016 LEGISLATIVE SUMMARY

CONTINUED FROM PREVIOUS PAGE

SB 819 (Huff) Would prohibit the Department of Alcoholic Beverage Control from issuing a license to manufacture, distribute, or sell powdered alcohol, on penalty of license revocation; would also prohibit the possession, purchase, sale, distribution, manufacture, or use of powdered alcohol.

SB 1150 (Leno) Would prohibit a mortgage servicer or lender, upon notification that a borrower has died, from recording a notice of default for at least 30 days after requesting reasonable documentation of the death from the successor in interest. This would clarify the responsibilities of a lender under California's

Homeowner Bill of Rights when a borrower dies leaving a surviving homeowner who wishes to assume the loan.

SB 1441 (Leno) Would prohibit the Public Utilities Commission from allowing the cost of natural gas lost in the form of vented or fugitive natural gas emissions from being recouped from ratepayers. Would also set a January 1, 2020, deadline for the State Air Resources Board to adopt methane emissions reduction measures in order to achieve a reduction in methane emissions of at least 40% below 2012 methane emissions levels by 2025.

CFC-Opposed Bills

AB 2315 (Olsen) Would establish additional hurdles for civil actions pertaining to asbestos tort claims pursued by plaintiffs who may be suffering from fatal asbestos-related diseases such as mesothelioma and lung cancer; would also further burden plaintiffs over the age of 70 who seek an expedited trial due to their age.

FCC Takes a Step toward Protecting Online Privacy

On March 31, 2016, the Federal Communications Commission (FCC) voted to start writing rules to protect the privacy of broadband Internet customers. The Commission provided only a preliminary sketch of its potential regulation of Internet Service Providers (ISPs). These are companies that provide a higher-speed connection to the Internet, and include AT&T, Verizon, Comcast and Time Warner Cable.



BY RICHARD HOLOBER

The Consumer Federation of California (CFC) applauds this first step towards regulating the sale or sharing of Internet users' names, addresses and other private data, such as the websites we visit and the search words we use.

FCC Chairman Tom Wheeler presented his outline for possible privacy rules. He would establish three information-sharing domains: No-Opt (a consumer cannot restrict personal information sharing) when the information is needed to provide the broadband service or the ISP wants to market other Internet services to you; Opt-Out (a consumer must take an extra step to stop the sharing of personal information) for the ISP to share with its affiliates to sell you other services; and Opt-In (the ISP must take an extra step to get your permission to share) before ISP hands your information to any other strangers.

These rules generally follow the three information-sharing domains of California's path-breaking financial privacy law (SB 1 of 2003). Consumer Federation of California helped win this law, which has become the national standard for banks and brokerage firms.

In the coming months, the FCC will write the regulations that will determine whether Chairman Wheeler's concept actually turns into meaningful privacy rights. The CFC plans to weigh in with our comments on several elements of privacy protection.

One crucial battle to come: Should consumers pay for privacy?

In CFC's press release issued the day of the FCC vote I stated, "It is essential that any final FCC rule prohibits broadband carriers from charging extra for privacy. Privacy is a right that should not be available only to the wealthy." My comments were prompted by AT&T's rollout of new "Gigapower" Internet service in 20 cities. AT&T won't stalk your online activity if you pay an additional \$29 a month. We believe privacy is a right, not a luxury with a price tag. The FCC must not allow ISPs to charge a privacy fee which discriminates against consumers who can't afford it.

Among other unresolved items the FCC must address: Who is an ISP's "affiliate." If a joint marketing arrangement defines an affiliation, the regulations would be gutted. CFC will call for affiliate definitions that include common branding and a high percentage of shared ownership. The FCC should also require ISPs to rigorously secure personal data from malicious attacks and negligent release, and

define privacy rights to protect consumer and business Internet usage.

Broadband companies will certainly mount a fierce assault on any restrictions that the FCC may adopt on the swapping of private consumer information. Before the FCC voted 3-2 to start a privacy proceeding, CTIA, a trade association representing Verizon, AT&T and other telecom companies, urged the agency to refrain from adopting new rules. AT&T called FCC privacy regulation "bad for consumers."

The ISPs are crying foul because the FCC has not asserted its jurisdiction over so-called "edge" providers such as Google, Facebook and other search engines, social networks and streamers of entertainment. In 2015 the FCC reclassified broadband providers as common carriers, like telephone companies. This gave the federal agency the authority to set privacy rules for ISPs. We disagree entirely with the likes of AT&T and Verizon. We believe that establishment of strong consumer privacy rights for ISP customers will pave the way for privacy protection throughout the online world.

Look for our action alerts asking you to add your voice in support of strong Internet privacy rights. Comments to the FCC are due by May 27.

CFC, CW challenge State Farm property insurance rate hike

CFC and Consumer Watchdog (CW) are challenging a bid by State Farm to charge its 1.7 million home owner and renter insurance policyholders in California an extra \$125 million.

During 13 days of evidentiary hearings before the state Department of Insurance, CFC and CW attorneys presented evidence and expert witness testimony and cross-examined State Farm witnesses on the justification for the company's proposed increase. The consumer groups contend that, under Proposition 103, State Farm should actually *decrease* its current rates by almost \$100 million.

A decision is expected by this fall.

ABOUT US

The Consumer Federation of California (CFC) is a nonprofit advocacy organization. Since 1960, CFC has been a powerful voice for consumer rights, campaigning for state and federal laws that place consumer protection ahead of corporate profit. Each year, CFC testifies before the California legislature on dozens of bills that affect millions of our state's consumers and appears before state agencies in support of consumer regulations.

Contributions are not tax deductible.

KEEP IN TOUCH

Consumer Federation of California 1107 9th Street, Suite 625 Sacramento, CA 95814 Phone: (916) 498-9608 Fax: (916) 498-9611 Email: mail@consumercal.org Website: www.consumercal.org

Jim Gordon, President

Richard Holober, Executive Director

Brian Taylor, Newsletter Editor



U.S. Postage
PAID
Sacramento, CA

Permit No. 1691

Non-Profit Org

PRIVACY REVOLT

The Privacy Revolt Has Begun!

Protecting your personal right to privacy is a priority at Consumer Federation of California. Now we've doubled down on those efforts through a new campaign, Privacy Revolt! We're building a grassroots movement through the campaign's website — privacyrevolt.com — where you can take action against the invasion of privacy by corporate profilers and governmental snoops.

Calls to action are displayed on the home page. Please join the revolt on the website, and follow it on Facebook and Twitter: facebook.com/PrivacyRevolt, @privacyrevolt

California Consumer

THE NEWSLETTER OF THE CONSUMER FEDERATION OF CALIFORNIA



CFC charged bias against women, the unmarried, and working-class motorists through inflated coverage.

GEICO agreed to pay \$6 million and change its business practices to settle Consumer Federation of California (CFC) allegations that the insurance giant violated civil rights and insurance laws by targeting women and unmarried, lower-income motorists with deceptive and inflated automobile insurance rate quotes.

"This is an important win for all California motorists," said CFC Executive Director Richard Holober. "GEICO is paying a price for its unfair practices, and the settlement assures that all good drivers are treated equally, whether rich, poor, or in between. It sets a new industry standard for rate quotes that are accurate and transparent."

Insurance Commissioner Dave Jones approved the settlement, announced August 25, after the California Department of Insurance (CDI) mediated talks between CFC and GEICO. The Insurance Code does not allow refunds to consumers who may have been overcharged, so

GEICO's payment goes to the state. GEICO will have to pay an additional \$6 million if CDI audits find that it is violating the settlement terms in the next three years.

CFC's extensive testing of GEI-CO's online rate quote system showed that lower-income drivers eligible for good-driver discounts were quoted coverage packages as much as 1000% *higher* than the minimum that they qualified for under state law; the quote appeared under a banner proclaiming the package the "Lowest Limits" that the company could offer.

Good drivers singled out for these inflated quotes are motorists who have all of these characteristics: less than a four-year college degree; not working in a professional or executive job; not currently insured; and unmarried or women. This violated Proposition 103's requirement to make minimum coverage policies available to all good drivers, and was unlawful discrimination under California's Unruh Civil Rights Act.

Inside This Issue: 2015 CONSUMER SCORECARD For State Lawmakers

CFC Saved Drivers \$15M On Insurance In 2015

Hartford, Safeco rate hike plans sharply reduced.

In addition to our win against GEI-CO, CFC already saved more than 332,000 drivers more than \$15 million through challenges to insurance rate hikes that are paying off in 2015 and beyond. (It is difficult to calculate potential motorists' savings resulting from the GEICO settlement. CFC estimated that it may reach several million dollars annually.) More savings are expected from a homeowners insurance rate challenge now underway.

Hartford and Safeco had both sought to boost auto insurance rates by almost 7%, but CFC challenged the companies' rate hike proposals under Proposition 103, the 1988 ballot measure that curbed insurance companies' power to raise rates at will, leading state Insurance Commissioner Dave Jones to cut the hikes by 40% and 50% respectively.

In January, CFC and Consumer Watchdog (CW) challenged a bid by State Farm to charge its 1.7 million homeowner and renter policyholders in the state an extra \$125 million. In a hearing before the Department of Insurance, CFC and CW actuaries have testified that, under Prop 103, State Farm should actually *decrease* current rates by almost \$100 million.

2015 Scorecard Rates State Lawmakers

CFC's 2015 Consumer Scorecard rates lawmakers on the votes they cast on key issues, including privacy; sales of unrepaired used cars under recall; toxic flame retardants in children's products; elder abuse; secret recording of phone calls by businesses; child safety; truth in advertising; workers' rights and the minimum wage; and reform of the California Public Utilities Commission. (See bill summaries below.)

The Assembly as a whole posted an average pro-consumer score of 55 percent, and the Senate's average was 66 percent. Democrats averaged a 68 percent score in the Assembly, and 82 percent in the Senate. Republicans averaged 32 percent in the Assembly, and 35 percent in the Senate.

None of the 52 Assembly Democrats, and just one of the 26 Senate Democrats, earned a perfect score of 100 percent.

No Republican in either house exceeded a 57 percent proconsumer score.

We graded non-votes as well as votes that were cast. When a lawmaker was in attendance but chose not to vote, his or her grade was based on that decision's effect on the bill's outcome.

CFC also assigns a Right or Wrong grade when a lawmaker introduces a key consumer bill or requests committee action on a matter of importance to the CFC, but does not have occasion to actually vote on the bill or action.

Also included in the scorecard are "lifetime" percentages, based on CFC scorecards issued each year and representing the key consumer votes by a lawmaker throughout his or her tenure in the Legislature.

Key Consumer Rights Bills

Bill / CFC Position	Summary and <i>Outcome</i>
AB 282 (Eggman) / SUPPORT	Would have prohibited the sale of dangerous corded window coverings in California and prohibited their use in child day care centers. Held by author in Senate Business, Professions and Economic Development Committee
AB 287 (Gordon) / OPPOSE	Would have immunized auto dealers who sold unrepaired used automobiles under open safety recalls. Held by author before Senate Transportation and Housing Committee
AB 312 (Jones) / OPPOSE	Would have weakened California's truth in advertising laws by allowing companies to use foreign components in products that bear a "Made in the USA" label. <i>Held by author in Senate Judiciary Committee</i>
AB 465 (Hernández) / SUPPORT	Would have made mandatory binding arbitration clauses within most personal employment contracts unenforceable if acceptance of the clause was a condition of employment. <i>Vetoed</i>
AB 601 (Eggman) / SUPPORT	Would have required the disclosure of ownership and license information of residential care facilities for the elderly so that regulators could crosscheck that information with other sources to guard against elder abuse and neglect. Failed passage in Senate Appropriations Committee
AB 886 (Chau) / SPONSOR	Would have prohibited transportation network companies such as Uber and Lyft from collecting personal passenger information unless it was necessary for the company to provide their service. Failed passage in Assembly Utilities and Commerce Committee
AB 925 (Low) / OPPOSE	Would have allowed businesses to secretly record phone calls with customers. Failed passage in Assembly Appropriations Committee
SB 3 (Leno) / SUPPORT	Would have increased the state minimum wage to \$11 an hour on January 1, 2016, and to \$13 an hour on July 1, 2017. <i>Held in Assembly Appropriations</i>
SB 501 (Wieckowski) / SUPPORT	Limits the percentage of a low- or moderate-income employee's paycheck that can be garnished so as to allow employee's family sufficient income to meet basic needs. Signed into law
SB 633 (Hill) / OPPOSE	Similar to AB 312 (Jones), this bill weakens California's truth in advertising laws by allowing companies to use foreign components in products that bear a "Made in the USA" label. Signed into law
SB 648 (Mendoza) / SPONSOR	Would have required agencies making referrals to elder care facilities to obtain a license, disclose fee arrangements, and protect consumer information and privacy. Failed passage through Senate Appropriations Committee
SB 660 (Leno) / SUPPORT	Would have eliminated the extraordinary power of the California Public Utilities Commission President and imposed restrictions on private meetings between utilities and regulators. <i>Vetoed</i>
SB 763 (Leno) / CO-SPONSOR	Would have required a label stating whether or not home furnishing products for infants and toddlers contain toxic flame retardant chemicals. <i>Held by author in Assembly Appropriations</i>

2015 Consumer Scorecard for State Lawmakers: Assembly

										_								
<u>≯</u> .		ght	guo.			ِ	į		ن	AB 925 5/5 Public Safety	Emp.		į	į		& T.M.		
Assembly Member	-⊊-	Total Right	Total Wrong	AB 282 6/3 Floor	AB 287 6/2 Floor	AB 312 5/22 Floor	AB 465 8/27 Floor	AB 601 9/3 Floor	AB 886 4/20 U. &	AB 925 5/5 Public	SB 3 7/8 Lab. & E	SB 501 9/9 Floor	SB 633 7/16 Floor	SB 660 9/10 Floor	SB 763 7/7 B. & P.	SB 763 7/14 E.S.	ro e	Lifetime Score
Ass	Party	Tot l	<u>1</u> 2	AB 6/3	AB 6/2	AB 5/22	AB 8/27	AB 9/3	AB 4/20	AB 5/5	SB 3 7/8 La	SB 9/6	SB 716	82 g/10	SB T/T	SB 14	2015 Score	Scor
Achadjian	REP	3	6	W	W	W	W	R	W			R	W	R			33%	30%
Alejo	DEM	6	2	R	W		R	R				R	W	R		R	75%	89%
Allen, T.	REP	2	6	W	W	W	W	R				W	W	R			25%	30%
Atkins	DEM	6	2	R	W	R*	R	R				R	W	R			75%	89%
Baker	REP	4	5	W	W	W	W	R				R	W	R	R		44%	44%
Bigelow	REP	2	6	W	W	W	W	R				W	W	R			25%	27%
Bloom	DEM	7	2	R	W	R*	R	R				R	W	R	R		78%	88%
Bonilla	DEM	6	4	R	W	W	R	R	W*			R	W	R	R		60%	79%
Bonta	DEM	6	2	R	R*	W	R	R				R	W	R			75%	83%
Brough	REP	2	6	W	W	W	W	R				W	W	R			25%	25%
Brown	DEM	5	3	R	W	R*	W*	R				R	W	R			63%	74%
Burke	DEM	6	3	R	W	R	R	R	W			R	W	R			67%	67%
Calderon	DEM	5	3	R	W	W	R	R				R	W	R			63%	76%
Campos	DEM	7	2	R	W	R	R	R				R	W	R	R		78%	89%
Chang	REP	4	5	W	W	W	W	R				R	W	R	R		44%	44%
Chau	DEM	6	3	R	W	W	R	R	R**			R	W	R			67%	84%
Chávez	REP	3	5	W	R*	W	W	R				W*	W	R			38%	30%
Chiu	DEM	6	2	R	W	R	R	R				R	W	R			75%	75%
Chu	DEM	6	3	R	W	W	R	R			R	R	W	R			67%	67%
Cooley	DEM	4	4	R	W	W	W	R				R	W	R			50%	72%
Cooper	DEM	6	2	R	W	R	R	R				R	W	R			75%	75%
Dababneh	DEM	5	3	R	W	W	R	R				R	W	R			63%	76%
Dahle	REP	3	7	W	W	W	W	R	W			W	W	R		R	30%	32%
Daly	DEM	5	3	R	W	W	R	R				R	W	R			63%	65%
Dodd	DEM	6	3	R	W	W	R	R				R	W	R	R		67%	67%
Eggman	DEM	7	3	R	W	R*	R	R	W*			R	W	R	R		70%	85%
Frazier	DEM	4	3	R	W	W		R				R	W	R			57%	65%
Gaines, B.	REP	2	6	W	W	W	W	R				W	W	R			25%	21%
Gallagher	REP	4	5	W	W	W	W	R				R	W	R		R	44%	44%
Garcia, C.	DEM	6	3	R	W	R*	R	R	W*			R	W	R			67%	81%
Garcia, E.	DEM	5	3	R	W	W	R	R				R	W	R			63%	63%
Gatto	DEM	7	2	R	W	R	R	R				R	W	R	R		78%	86%
Gipson	DEM	6	2	R	W	R*	R	R				R	W	R			75%	75%
Gomez	DEM	6	2	R	W	R*	R	R				R	W	R			75%	78%
Gonzalez	DEM	8	1	R	W	R	R	R				R	R*	R		R	89%	92%
Gordon	DEM	5	3	R	W	W	R	R		W		R		R			63%	84%
Gray	DEM	6	3	R	W	R	W	R				R	W	R		R	67%	65%

LEGEND

- **R** = Right, voted for consumers.
- R* = Present and did not vote or unexcused absence, same as voting in favor of consumers.
- R** = Author of CFC supported or sponsored bill but did not get a chance to vote; scored as a vote for consumers.
- **W** = Wrong, voted against consumers.

- Present and did not vote or unexcused absence; same as voting against consumers.
- **W**** = Author of CFC-opposed bill but did not get a chance to vote; scored as a vote against consumers.
- Excused absence, not a member of committee, or not a member of the Legislature at the time the vote was cast.

2015 Consumer Scorecard: Assembly (continued)

			70							ety	-i					یے		
Assembly Member	Party	Total Right	Total Wrong	AB 282 6/3 Floor	AB 287 6/2 Floor	AB 312 5/22 Floor	AB 465 8/27 Floor	AB 601 9/3 Floor	AB 886 4/20 U. & C.	AB 925 5/5 Public Safety	SB 3 7/8 Lab. & Emp.	SB 501 9/9 Floor	SB 633 7/16 Floor	SB 660 9/10 Floor	SB 763 7/7 B. & P.	SB 763 7/14 E.S. & T.M.	2015 Score	Lifetime Score
Grove	REP	3	5	W 6 AI	₩ 3	M 57 Al	W 8	R 8		2 A	8 %	M 22 92	W ≥	R	SS ⊱	<u>.</u> ≥	38%	18%
Hadley	REP	3	6	W	W	W	W	R	W			R	W	R			33%	33%
Harper	REP	2	7	W	W	W	W	R			W	W	W	R			22%	22%
Hernández	DEM	7	3	R	W	W	R	R	R		R	R	W	R			70%	83%
Holden	DEM	6	3	R	W	W	R	R				R	W	R	R		67%	83%
Irwin	DEM	5	3	R	W	R	W	R				R	W	R			63%	63%
Jones	REP	2	8	W	W	W	W	R	W			W	W	R	W*		20%	14%
Jones-Sawyer	DEM	5	4	R	W	W	R	R		W		R	W	R			56%	77%
Kim	REP	2	6	W	W	W	W	R				W	W	R			25%	25%
Lackey	REP	4	5	W	W	W	W	R		R		R	W	R			44%	44%
Levine	DEM	5	3	R	W	W	R	R				R	W	R			63%	72%
Linder	REP	3	5	W	W	W	W	R				R	W	R			38%	33%
López	DEM	6	2	R	W	R	R	R				R	W	R			75%	75%
Low	DEM	7	3	R	W	R	R	R		W	R	R	W	R			70%	70%
Maienschein	REP	4	4	R	W	W	W	R				R	W	R			50%	48%
Mathis	REP	2	6	W	W	W	W	R				W	W	R			25%	25%
Mayes	REP	3	5	W	W	W	W	R				R	W	R			38%	38%
McCarty	DEM	7	3	R	W	W	R	R			R	R	W	R		R	70%	74%
Medina	DEM	6	2	R	W	R*	R	R				R	W	R			75%	76%
Melendez	REP	3	6	W	W	W	W	R		R		W	W	R			33%	33%
Mullin	DEM	6	3	R	W	W	R	R				R	W	R	R		67%	79%
Nazarian	DEM	5	3	R	W	W	R	R				R	W	R			63%	83%
Obernolte	REP	2	6	W	W	W	W	R				W	W	R			25%	25%
O'Donnell	DEM	5	2	R	W		R	R				R	W	R			71%	71%
Olsen	REP	2	5	W	W		W	R				W	W	R			29%	17%
Patterson	REP	1	9	W	W	W	W	W*	W		W	W	W	R			10%	21%
Perea	DEM	4	4	R	W	W	R	W*				R	W	R			50%	60%
Quirk	DEM	5	5	R	W	W	R	R	W*	W		R	W	R			50%	69%
Rendon	DEM	8	1	R	W	R	R	R	R			R	R*	R			89%	88%
Ridley-Thomas	DEM	3	5	W*	W	W	R	R				W*	W	R			38%	41%
Rodriguez	DEM	6	2	R	W	R*	R	R				R	W	R			75%	88%
Salas	DEM	5	3	R	W	R	R	R				W	W	R			63%	72%
Santiago	DEM	7	3	R	W	R*	R	R	R	W		R	W	R			70%	70%
Steinorth	REP	3	5	W	W	W	W	R				R	W	R			38%	38%
Stone, M.	DEM	6	2	R	W	R	R	R				R	W	R			75%	88%
Thurmond	DEM	5	4	W*	W	W	R	R			R	R	W	R			56%	56%
Ting	DEM	8	3	R	W	R	R	R	W*			R	W	R	R	R	73%	85%
Wagner	REP	3	5	W	W	W	W	R				R	W	R			38%	18%
Waldron	REP	2	5	W	W		W	R				W	W	R			29%	29%
Weber	DEM	5	2	R	W		R	R				R	W	R			71%	78%
Wilk	REP	3	6	W	W	W	W	R				R	W	R	W*		33%	32%
Williams	DEM	8	1	R	R*	R	R	R	R			R	W	R			89%	93%
Wood	DEM	6	3	R	W	R*	W*	R				R	W	R	R		67%	67%

2015 Consumer Scorecard for State Lawmakers: Senate

1 0		Right	Total Wrong	5 30r	– 5	-	1 30r	3 20r	8 alth	8 diciary	0 20	e 5		ne
Senator	Party	Total Right	Total \	AB 465 8/24 Floor	AB 601 9/2 Floor	SB 3 6/1 Floor	SB 501 9/10 Floor	SB 633 8/17 Floor	SB 648 4/15 Health	SB 648 4/28 Judiciary	SB 660 9/11 Floor	SB 763 6/3 Floor	2015 Score	Lifetime Score
Allen, B.	DEM	6	1	R	R	R	R	W			R	R	86%	86%
Anderson	REP	2	6	W	R	W	W	W		W	R	W	25%	19%
Bates	REP	2	5	W	R	W	W	W			R	W	29%	29%
Beall	DEM	5	2	R	W*	R	R	W			R	R	71%	93%
Berryhill	REP	2	5	W	R	W	W	W			R	W	29%	16%
Block	DEM	6	1	R	R	R	R	W			R	R	86%	92%
Cannella	REP	4	3	W	R	W	R	W			R	R	57%	33%
de León	DEM	6	1	R	R	R	R	W			R	R	86%	93%
Fuller	REP	2	5	W	R	W	W	W			R	W	29%	17%
Gaines, T.	REP	3	3	W	R	W	W				R	R	50%	22%
Galgiani	DEM	4	3	W*	R	W*	R	W			R	R	57%	57%
Glazer	DEM	4	3	W	R	W*	R	W			R	R	57%	57%
Hall	DEM	7	1	R	R	R	R	W	R		R	R	88%	73%
Hancock	DEM	6	1	R	R	R	R	W			R	R	86%	98%
Hernandez	DEM	7	1	R	R	R	R	W	R		R	R	88%	77%
Hertzberg	DEM	7	1	R	R	R	R	W		R	R	R	88%	88%
Hill	DEM	6	1	R	R	R	R	W			R	R	86%	86%
Hueso	DEM	6	1	R	R	R	R	W			R	R	86%	81%
Huff	REP	2	5	W	R	W	W	W			R	W	29%	16%
Jackson	DEM	7	1	R	R	R	R	W		R	R	R	88%	99%
Lara	DEM	5	2	R	R	R	W*	W			R	R	71%	85%
Leno	DEM	7	1	R	R	R	R	W		R	R	R	88%	99%
Leyva	DEM	6	1	R	R	R	R	W			R	R	86%	86%
Liu	DEM	6	1	R	R	R	R	W			R	R	86%	94%
McGuire	DEM	6	1	R	R	R	R	W			R	R	86%	86%
Mendoza	DEM	8	0	R	R	R	R	R*	R**		R	R	100%	86%
Mitchell	DEM	7	1	R	R	R	R	W	R		R	R	88%	88%
Monning	DEM	8	1	R	R	R	R	W	R	R	R	R	89%	96%
Moorlach	REP	2	5	W	R	W	W	W			R	W	29%	29%
Morrell	REP	2	5	W	R	W	W	W			R	W	29%	16%
Nguyen	REP	4	4	W	R	W	R	W	W		R	R	50%	50%
Nielsen	REP	2	6	W	R	W	W*	W	W		R	W	25%	20%
Pan	DEM	7	1	R	R	R	R	W	R		R	R	88%	87%
Pavley	DEM	6	1	R	R	R	R	W			R	R	86%	96%
Roth	DEM	5	3	W*	R	W	R	W	R		R	R	63%	75%
Runner	REP	2	4	W	R	W	W				R	W	33%	12%
Stone, J.	REP	2	5	W	R	W	W	W			R	W	29%	29%
Vidak	REP	3	4	W	R	W	W	W			R	R	43%	33%
Wieckowski	DEM	7	1	R	R	R	R	W		R	R	R	88%	92%
Wolk	DEM	6	2	W*	R	R	R	W	R		R	R	75%	90%

ABOUT US

The Consumer Federation of California (CFC) is a nonprofit advocacy organization. Since 1960, CFC has been a powerful voice for consumer rights, campaigning for state and federal laws that place consumer protection ahead of corporate profit. Each year, CFC testifies before the California Legislature on dozens of bills that affect millions of our state's consumers, and appears before state agencies in support of consumer regulations.

Contributions are not tax deductible.

KEEP IN TOUCH

Consumer Federation of California 1107 9th Street, Suite 625 Sacramento, CA 95814 Phone: (916) 498-9608 Fax: (916) 498-9611 Email: mail@consumercal.org Website: www.consumercal.org

Jim Gordon, President

Richard Holober, Executive Director **Brian Taylor**, Newsletter Editor



Non-Profit Org U.S. Postage

PAID

Sacramento, CA Permit No. 1691

Secret Deals Behind Vetoes Of CPUC Reforms? By Richard Holober



Five years after eight people died, 58 suffered injuries and 38 homes in San Bruno were demolished in the explosion of a poorly maintained

PG&E pipeline, Governor Brown finally spoke out on collusion between utilities and the Public Utilities Commission: The Governor vetoed SB 660 (Leno and Hueso) and four other bills designed to restore the CPUC's purpose as a public watchdog. Facile veto messages urged the bills' authors to work with Brown's staff to bring back truncated reforms next year – ignoring the many amendments that Senators Leno and Hueso had accepted based on input from the Governor's top legislative aides.

Among other things, SB 660 would have restricted private, off the record "ex parte" communications between commissioners or CPUC executive staff and the industries they regulate – such as:

- A secret meeting in Warsaw, Poland, between former CPUC President Peevey and a Southern California Edison executive; that one cost electric consumers \$3.2 billion for the shutdown of the San Onofre nuclear power plant.
- Or Mr. Peevey's request (only made public thanks to a City of San Bruno lawsuit) that PG&E donate \$3 million to defeat a ballot initiative Governor Brown opposed, in exchange for overruling a CPUC judge's denial of PG&E's bid to saddle customers for \$26 million in energy conservation measures. (Peevey sweetened PG&E's funding request to \$29 million, in effect charging utility ratepayers for the \$3 million contribution and then PG&E shorted Peevey, giving the campaign only \$500,000 and pocketing a \$28.5 million windfall).

The consensus behind CPUC reform is underscored by the unanimous, bipartisan support that SB 660 and three other CPUC reform bills received in the state Senate and Assembly. A fifth bill had unanimous support in the Assembly and just one Senator voting No.

The Governor's vetoes are all the more curi-

ous given the utilities' silence on SB 660 and the other bills. PG&E, Sempra (parent company of San Diego Gas & Electric and Southern California Gas Co.) and SCE did not publicly oppose any of the bills as they worked their way through the Legislature and onto the Governor's desk.

The Governor maintained his silence on CPUC scandals — despite FBI raids of CPUC leaders' homes and seizures of their computers and files in an ongoing investigation of possible crimes. No comment from the Governor on regulators' failures that cost eight lives and billions in unfair consumer bills. Utter silence... followed by vetoes.

The Governor's Chief of Staff is Nancy McFadden, formerly PG&E's senior vice president. His Cabinet Secretary is Dana Williamson, formerly PG&E's director of public affairs. Is it possible that the same secret, behind-the-scenes influence peddling that turned the CPUC into an industry lapdog is alive and well inside the Governor's Office?

We hope not, but to date Jerry Brown is not part of the solution. Overdue reform should not require another legislative year. Urgency legislation should be placed on the Governor's desk and signed in January 2016, to take effect immediately.

California Consumer 2015

THE NEWSLETTER OF THE CONSUMER FEDERATION OF CALIFORNIA



Toxic Chemicals In Children's Products?

CFC sponsored SB 763 (Leno) to give parents the right to know whether the products they surround their children with are loaded with flame-retardant chemicals that are both ineffective and dangerous. Already OK'd in the Senate, the bill is now in the Assembly.

SB 660 Would End Backroom Deals That Rob Utility Ratepayers

Consumer Federation of California (CFC) supports Senate Bill 660 (Leno-Hueso), a long-overdue reform that would put a stop to the scandalous record of backroom deal-making between the California Public Utilities Commission (CPUC) and the utilities it regulates.

The Senate approved SB 660 June 2, with all Democrats voting Aye and Republicans Joel Anderson (Alpine), Anthony Cannella (Ceres) and John M.W. Moorlach (Irvine) joining them. Now in the Assembly, the measure seeks to rein in the power of an imperial CPUC presidency, establish rules to disqualify commissioners from participating in proceedings where they have a real or perceived bias, and strengthen reporting of private meetings ("ex parte" communications) between utility lobbyists and key CPUC decision-makers.

By any measure, the CPUC is a mess:

- The U.S. Department of Justice and California Attorney General have opened criminal investigations of the agency. State investigators raided offices of CPUC and Southern California Edison in June, seeking information on an agreement to decommission the closed San Onofre nuclear plant, with ratepayers shouldering \$3.3 billion of the costs compared to the utilities' \$1.4 billion share. Arrangements were negotiated on the sly a half a world away by a jet-setting CPUC President and an executive of Southern California Edison.
- Investigators had previously raided the homes of former CPUC President Michael Peevey and a former Pacific Gas & Electric Co. (PG&E) executive in February, seizing computers and other materials reportedly tied to years of what a search warrant



Here's a partial list of key bills Consumer Federation of California (CFC) is working on this session. Find updated information and resources on all these bills at bit.ly/CFCsummerupdate

Co-Sponsored Bill OK'd in Senate

SB 763 (Leno) would require labels on certain children's products disclosing whether a product contains toxic but ineffective flame-retardant chemicals. See photo and caption at left.

Other CFC-Backed Bills Moving On

These other CFC-supported bills were also approved in their house of origin:

SB 3 (Leno, D-San Francisco) raising the state's minimum wage to \$11 per hour in 2016 and \$13 in July 2017, with automatic adjustments beginning in 2019.

SB 178 (Leno, D-San Francisco) requiring search warrants for police to obtain information from smartphones and other electronic devices.

SB 501 (Wieckowski, D-Fremont) restricting the amount of disposable earnings of low- or moderate-income earners subject to garnishment for debt.

AB 265: (Holden, D-Pasadena) restricting "buy-here-pay-here" car dealers from immobilizing a vehicle when a buyer is behind on payments.

Bad Bills CFC Helped Defeat

SB 26 (Hernandez, D-Azusa) would have declared legislative intent to establish a California Health Care Cost and Quality Database. Held in Senate Appropriations Committee. CFC sought enhanced patient privacy protections.

SB 660 Would End Backroom Deals That Rob Utility Ratepayers CONTINUED FROM PREVIOUS PAGE

called "ex parte communications, judge-shopping, bribery, obstruction of justice or due administration of laws, favors or preferential treatment," including efforts to cut a deal over a \$1.3 billion rate-setting case.

 Some 65,000 emails, released under court order, document a pattern of pettiness, collusion and possible criminal activity between CPUC and PG&E over a five-year period. Among the concerns is evidence of "judge-shopping" to ensure that regulatory cases go to administrative law judges who are sympathetic to utility interests.

The required email release is tied to the fatal explosion of a PG&E natural gas pipeline in the Bay Area community of San Bruno in 2010 and its aftermath. As an Office of Legislative Counsel analysis of SB 660 noted:

"Eight people died, dozens were injured, 38 houses were destroyed and many more were damaged. The investigations by the National Transportation Safety Board (NTSB) and an independent review panel appointed by the

CPUC found that PG&E mismanaged their pipeline over decades, failed to adequately test the strength of the pipeline and, more generally, valued profits over safety. These same investigations also noted the CPUC's inadequate oversight of PG&E."

Find updated information and more resources – including a link to tell your Assembly Member to vote for SB 660 – at http://bit.ly/CPUCreform

CFC Defeats Business Bid To Secretly Record Calls

Secret phone recording remains a crime under California law thanks to the hard work of a broad coalition of consumer, privacy, labor and other groups to defeat Assembly Bill 925 (Low).

AB 925 would have allowed businesses to secretly record consumer calls involving cell or cordless phones. But CFC and its allies argued that a consumer is entitled to know whether a call may be recorded before divulging any information.

It's easy enough to comply with existing law, and nearly all businesses do. The familiar pre-recorded statement that "this call may be recorded" is all it takes. A consumer hearing the message can hang up, or consent by continuing the call.

As a unanimous California Supreme Court recognized, secret recording would give a business an ace up its sleeve, one that it plays only when it's to its own advantage.

"Companies may utilize such undisclosed recording to further their economic interests – perhaps in selectively disclosing recordings when disclosure serves the company's interest, but not volunteering the recordings' existence (or quickly destroying them) when they would be detrimental to the company," the court decided in *Kearney v. Salomon Smith Barney, Inc.* (2006) 39 Cal. 4th 95 at 124-25.

Debt collectors, credit card issuers, Las Vegas casinos and many other businesses have been held accountable in court under California law for making secret phone record-

ings. In one case, an out-of-state insurer secretly recorded its calls with the wife of a California retail store employee who complained about coverage for a medical procedure, and played the calls back to the worker's boss, getting him in trouble on the job.

The Assembly Privacy and Consumer Protection Committee approved AB 925 after adopting amendments reducing the duration of the secret calls. The 25-member coalition that CFC organized then persuaded the Assembly Appropriations Committee to defeat the bill.

2015 LEGISLATIVE SUMMARY

CONTINUED FROM PREVIOUS PAGE

AB 287 (Gordon, D-Menlo Park) would have immunized used-car dealers for selling unrepaired vehicles that are under a factory recall.

AB 739 (Irwin, D-Thousand Oaks) encouraged communication of data breach and cybersecurity threat information, but it also would have provided sweeping immunity provisions for private-sector data breaches.

CFC-Backed Bills Defeated

SB 648 (Mendoza) improving seniors' assisted-care referrals: CFC sponsored this bill to require registration of private agencies that refer seniors to residential care facilities for the elderly, which provide assistance with such daily living activities as meals, bathing and grooming; it would also have required disclosure of payments the referral agency receives from assisted-living facilities.

AB 886 (Chau) limiting the personally identifiable passenger information that Uber and other ride-summoning services can collect or share. CFC sponsored AB 886.

Lawmakers return from Summer Recess Aug. 17. The last day for final passage of any bill is Sept. 11. The Governor has 12 days after receipt of a bill to sign or veto it, or 30 days in the case of bills approved at the end of the legislative session.

CFC Honors Consumer Advocates =

Consumer Federation of California (CFC) hosted its annual Legislative Reception in April to honor the work of some of the state's most influential consumer rights champions. In the photo at right, Senate President pro Tem Kevin de León (D-Los Angeles), shows his enthusiastic appreciation as CFC Executive Director Richard Holober presents him with his Legislator Of The Year award. Other recipients included:

Assembly Member Richard Bloom (D-Santa Monica), who carried AB 2667, the 2014 CFC-sponsored bill that increased consumer privacy protections for rent-to-own computers.

State Senator Holly Mitchell (D-Los Angeles) for carrying CFC-sponsored SB 1256, the 2014 CFC-sponsored bill that cracks down on medical loans for procedures not covered by insurance.

Now-retired ACLU Legislative Advocate Valerie Small-Navarro, who received CFC's Albin Gruhn Consumer Warrior Award.

Frank Fox, a Los Angeles-area attorney who received CFC's

2015 Consumer Champion award for his work on behalf of seniors, students at private for-profit colleges, and customers of rent-to-own stores.



Consumerist.com, an independent source of consumer news and information published by a subsidiary of Consumer Reports, recognized as CFC's Consumer Journalist of the Year.

CFC Advocates On Privacy & Safety In CPUC Rulemaking Procedures

Since 2006, Consumer Federation of California (CFC) has intervened in regulatory procedures of the California Public Utilities Commission (CPUC). Our efforts there are illustrated by these recent developments.

Biomethane, a gas emitted in the decay of waste materials, is a naturally occurring renewable fuel that can help diversify energy sources. It could be added to the energy grid via natural gas transmission pipelines, but the prospect raises questions about safety, air quality, costs and other concerns. CFC participated in CPUC's rulemaking process that resulted in the creation of biogas cleaning standards and rules for safe injection into pipelines.

"CFC asserted the need for safe connections and clean gas, and that costs of testing or implementation should not be passed onto ratepayers but instead be borne by biomethane producers that distribute their product through utility pipeline interconnections," CFC Regulatory Attorney Nicole Johnson said.

On another energy front, the development of so-called "smart meters" to measure an individual ratepayer's energy usage is paralleled at a larger level by development of a "smart grid" throughout a utility system, which can help foster efficiency and conservation in electricity distribution. But the technology can also be abused.

"CFC supported the implementation of data privacy rules. Energy data contains a great deal of information on consumers' daily lives. Access to that data by third parties can reveal personal habits and routines that could be exploited for marketing purposes or hacked by criminals," Johnson said. "Reverse engineering can reveal when you do things, where you were at a given moment, how often you perform certain tasks, and when you are away from your home. A person's life is 'mappable' at the push of a button with the right data access. Limiting that access is CFC's goal."

As a result of the rulemaking process, the CPUC adopted strong privacy protections strictly limiting access to utility customer electrical consumption data.

CFC Complaint Against GEICO For Insurance, Civil Rights Violations Before Department Of Insurance

The California Department of Insurance (CDI) has invoked a conciliation process following receipt of CFC's petition seeking enforcement against GEI-CO for alleged violations of California insurance and civil rights laws.

CFC filed a petition with the Department of Insurance in February following our extensive testing of GEICO's widely advertised online rate quote program.

CFC alleges that GEICO discriminates against women and unmarried drivers who are also not college graduates, employed as professionals or executives, and who are not currently insured by falsely quoting as its "Lowest Limits" coverages that are as much as 1000% higher than the state's mandated minimum coverages for good drivers. CFC alleges that these practices violate the Unruh Civil

Rights Act and voter-approved rate regulation under Proposition 103.

GEICO is the nation's second-largest auto insurer, with one million auto policyholders in California who pay over a billion dollars per year for their coverage. Discussions among CDI, CFC and GEICO are underway in an effort to resolve the complaint.

ABOUT US

The Consumer Federation of California (CFC) is a non-profit advocacy organization. Since 1960, CFC has been a powerful voice for consumer rights, campaigning for state and federal laws that place consumer protection ahead of corporate profit. Each year, CFC testifies before the California legislature on dozens of bills that affect millions of our state's consumers and appears before state agencies in support of consumer regulations.

Contributions are not tax deductible.

KEEP IN TOUCH

Consumer Federation of California 1107 9th Street, Suite 625 Sacramento, CA 95814 Phone: (916) 498-9608 Fax: (916) 498-9611 Email: mail@consumercal.org Website: www.consumercal.org

Jim Gordon, President

Richard Holober, Executive Director

Brian Taylor, Newsletter Editor



Non-Profit Org U.S. Postage PAID

Sacramento, CA Permit No. 1691

Financial Relief For Victims Of Private, For-Profit College Closure

Consumer Federation of California (CFC) supports Assembly Bill 573 (Medina-McCarty), which offers muchneeded relief to some 13,000 California students left in debt and with little to show for their hard work when private, for-profit colleges shut down – typically due to poor graduation and job placement rates and questionable business practices.

One of the biggest, Orange County-based Corinthian Colleges Inc., had operated nearly two dozen Heald College, Everest College and Wyoming Technical Institute (Wyotech) campuses around the state. Corinthian abruptly shuttered its 24 California campuses and six more elsewhere in the U.S. last April following a series of state and federal enforcement actions. It's a symptom of a larger issue: for-profit schools that exploit students for their federally guaranteed student loans and other financial assistance, often without providing a quality education that will lead to rewarding careers.

"Students who were enrolled in these campuses at or near the point of closure have had their dreams dashed, unable to complete the programs they borrowed loans to attend. In many cases, given widespread concerns about the quality of Corinthian-owned institutions, the credits earned at the closed schools will not transfer to more reputable colleges."

"Students who were enrolled in these campuses at or near the point of closure have had their dreams dashed, unable to complete the programs they borrowed loans to attend," states a letter of support for AB 573 from a dozen organizations including CFC. "In many cases, given widespread concerns about the quality of Corinthian-owned institutions, the credits earned at the closed schools will not transfer to more reputable colleges."

AB 573 would give all former Corinthian students access to legal, financial and academic counseling to help them deal with the bureaucratic obstacles they face, such as retrieving their Corinthian

student records and obtaining affidavits to qualify for assistance from the State Tuition Recovery Fund. AB 573 would also authorize outreach efforts to identify eligible students, and it would facilitate and encourage the transfer of academic credits earned at Corinthian Colleges to the California Community Colleges system.

An urgency measure requiring twothirds approval in the Legislature, AB 573 has already been passed unanimously in the Assembly and two Senate committees; it's now in the Senate Appropriations Committee. It will take effect immediately if it reaches Governor Jerry Brown's desk and he signs it.

California Consumer

THE NEWSLETTER OF THE CONSUMER FEDERATION OF CALIFORNIA

GEICO Rips Off Single Lower-Income Drivers, CFC Alleges

If you're an unmarried, uninsured good driver and have anything less than a bachelor's degree or a professional job, GEICO may quote you coverages it claims are its "Lowest Limits" that are in fact as much as 1000% more than the minimum it must offer under state law, the Consumer Federation of California (CFC) charged in an enforcement complaint it filed with the California Department of Insurance.

CFC is calling on the Department of Insurance to enforce state insurance and civil rights laws by ordering GEICO to halt these practices and impose penalties, which may include fines and revocation of the company's license to sell auto insurance.

It's nearly impossible to watch TV and not be bombarded by ads featuring a gecko, pig or other GEICO mascot urging a visit to the company's website for an interactive rate quote. However, CFC's extensive testing revealed that the message: "Geico – 15 minutes could save you 15% or more" belies a reality of

quotes as much as 50% *higher* than are lawful for unmarried consumers who are not already insured and have lower educational attainment and job status.

California law requires insurers to offer good drivers a policy with minimum coverages of \$15,000 for a single injury in an accident, \$30,000 for injury to more than one person, and \$5,000 for property damage, called a "15/30/5 policy."

But when a Californian fills in the online tool on GEICO's website, and tells the company that he or she is:

- A good driver (generally no more than one moving violation in the past three years)
- Unmarried
- Not employed in a professional or executive occupation
- Not a four-year college graduate, and
- Not already insured

then the company website presents a rate quote for six months' coverage that it labels as the "Lowest Limits" it offers: \$100,000 for a single injury, \$300,000 for injury to more than one person,

Inside This Issue: 2014 CONSUMER SCORECARD For State Lawmakers

and \$50,000 for property damage, called a "100/200/50 rolling"

"100/300/50 policy" in CFC's complaint.

If that person is a professional or executive, or married, or a college graduate, or has current insurance coverage, GEI-CO's website produces a "Lowest Limits" quote for one month's coverage including \$15,000 for a single injury, \$30,000 for injury to more than one person, and \$25,000 for property damage, called a "15/30/25 policy." CFC alleges that the representation of \$25,000 as "Lowest Limits" for these good-driver CONTINUED ON BACK PAGE

LET US KNOW IF YOU WERE OVERCHARGED

If you're a Californian who got a rate quote at geico.com and you meet the five criteria at left, you may be a victim of the company's scam. Let us know — write to mail@consumercal.org so we can contact you for more information.

Learn more: stopgeico.org



15 minutes can cost you 50% more... if you're a working person.

www.stopgeico.org

2014 Scorecard Rates State Lawmakers

CFC's 2014 Consumer Scorecard rates lawmakers on the votes they cast on key consumer rights bills affecting protections for vulnerable elders, truth in advertising, cell phone safety, medical credit arrangements, computer spyware, financial privacy, and defective products. (See bill summaries below.)

The Assembly as a whole posted an average pro-consumer score of 74 percent, and the Senate's average was 73 percent. Democrats averaged a 92 percent score in the Assembly, and nearly

91 percent in the Senate. Republicans averaged 32 percent in the Assembly, and 33 percent in the Senate.

Thirty-two of the 55 Assembly Democrats, and 14 of the 27 Senate Democrats, earned a perfect score of 100 percent. No Republican in either house exceeded a 67 percent pro-consumer score.

We graded non-votes as well as votes that were cast. When a lawmaker was in attendance but chose not to vote, that grade was based on that decision's effect on the bill's outcome.

CFC also assigns a Right or Wrong grade when a lawmaker introduces a key consumer bill or requests committee action on a matter of importance to the CFC, but does not have occasion to actually vote on the bill or action.

Also included in the scorecard are "lifetime" percentages, based on CFC scorecards issued each year and representing the key consumer votes by a lawmaker throughout his or her tenure in the Legislature.

Key Consumer Rights Bills

Bill / CFC Position	Summary and Outcome
AB 802 (Wieckowski) / Support	Requires private arbitration companies to collect and report information related to their arbitration cases so as to allow consumers to identify any potential bias the company may have against the consumer. Signed into law
AB 1522 (Gonzalez) / Support	Provides that employees are entitled to paid sick days to be accrued at a rate of no less than one hour for every 30 hours worked, limited to 24 hours or 3 days in each year of employment. Signed into law
AB 1710 (Dickinson, Wieckowski) / Support	Requires a business responsible for a data breach of their customers' personal information to notify their customers and offer identity theft prevention services at no cost for at least 12 months. Signed into law
AB 1751 (Bloom) / Support	Requires continuing care retirement community providers to make a financial statement available to residents associations not less than quarterly and must include explanation of all significant budget variances. Signed into law
AB 2162 (Fox) / Support	Would have required residential care facilities for the elderly or adult residential facilities with five or fewer beds to install automatic fire sprinkler systems approved by the State Fire Marshal. Failed in Asm. Governmental Organization Committee
AB 2667 (Bloom) / Sponsor	Prohibits rent-to-own companies from placing spyware or tracking software in rental computers, except for repossession, or to provide remote technical assistance, and technology must be disclosed. <i>Signed into law</i>
SB 52 (Leno) / Support	Would have imposed new disclosure statement requirements identifying major contributors and other funding details for political advertisements of ballot measures. <i>Not brought for vote on Asm. Floor</i>
SB 962 (Leno) / Support	Requires that any smartphone manufactured after July 1, 2015, and sold in California, include a consumer operated "kill switch" — which would render the smartphone inoperable to an unauthorized user, reducing the value of stolen phones sold on the black market. Signed into law
SB 1019 (Leno) / Support	Requires a manufacturer of upholstered furniture products to indicate whether or not their product contains added flame retardant chemicals that are toxic and ineffective on a label attached to the product. Signed into law
SB 1256 (Mitchell) / Sponsor	Prohibits a medical provider from establishing a third party line of credit for a patient without first providing written notice; prohibits charging for services not yet rendered without a written treatment plan and cost estimate; forbids establishing credit when patient is under the influence of general anesthesia or other sedation. Signed into law
SB 1188 (Jackson) / Sponsor	Under the Consumers Legal Remedies Act, would have provided that fraud or deceit may consist of the suppression or omission of a material fact by one who is bound to disclose it. <i>Committee hearing cancelled at request of author</i>
SB 383 (Jackson) / Sponsor	Would have expanded California's Song-Beverly Credit Card Act, which prohibits collection of personal identification information in connection with a credit card transaction, to apply to online transactions. <i>Committee hearing cancelled at request of author</i>
SB 661 (Hill) / Oppose	Would have allowed merchandise with foreign content that cannot be obtained within the United States to be offered for sale bearing a "Made in USA" label. Failed in Senate Judiciary

2014 Consumer Scorecard for State Lawmakers: Assembly

Assembly Member	Party	AB 802 8/20 Floor	AB 1522 8/30 Floor	AB 1710 8/25 Floor	AB 1751 8/25 Floor	AB 2162 4/8 Human Svcs.	AB 2162 4/30 Gov. Org.	AB 2667 8/19 Floor	SB 52 6/24 E. & R.	SB 52 8/14 Approps.	SB 962 8/7 Floor	SB 1019 8/27 Floor	SB 1256 8/7 Floor	Total Right	Total Wrong	Percent	Lifetime
	REP	W & &	W &	W &	W &						∞ ∞		v ∞ R	5	4		
Achadjian, K. Alejo, L.	DEM	R	R R	R R	R R		R 	R R			R	R R	R R	8	0	56% 100%	29% 92%
Allen, T.	REP	W	W	W	W			R			W	W	R	2	6	25%	33%
Ammiano, T.	DEM	R	R	R	R	R		R			R	R	R	9	0	100%	98%
Atkins, T.	DEM	R	R	R	R			R			R	R	R	8	0	100%	92%
Bigelow, F.	REP	W	W	W	W		W*	R		W	W*	W*	R	2	8	20%	28%
Bloom, R.	DEM	R	R	R	R			R			R	R	R	8	0	100%	93%
Bocanegra, R.	DEM	R	R	R	R			R		R	R	R	R	9	0	100%	88%
Bonilla, S.	DEM	R	R	R	R			R			R	R	W*	7	1	88%	85%
Bonta, R.	DEM	R	R	R	R			R	R		R	R	R	9	0	100%	88%
Bradford, S.	DEM	R	R	R	R			R		R	R	R	R	9	0	100%	88%
Brown, C.	DEM	R	R	W*	R			R			R	R	R	7	1	88%	80%
Buchanan, J.	DEM	R	R	R	R			R			R	R	R	8	0	100%	75%
Calderon, I.	DEM	R	R	R	R	R		R		R	R	R	R	10	0	100%	82%
Campos, N.	DEM	R	R	R	R		W*	R		R	R	R	R	9	1	90%	92%
Chau, E.	DEM	R	R	R	R			R			R	R	R	8	0	100%	94%
Chávez, R.	REP	W	W	W	W			R			W	W*	R	2	6	25%	27%
Chesbro, W.	DEM	R	R	R	R		W	R			R	R	R	8	1	89%	90%
Conway, C.	REP	W	W	W	W			R			R	W	R	3	5	38%	13%
Cooley, K.	DEM	R	R	R	R		R	R			R	R	R	9	0	100%	82%
Dababneh, M.	DEM	R	R	R	R		R	R			W	R	R	8	1	89%	89%
Dahle, B.	REP	W	W	W	W			R			W	R	R	3	5	38%	33%
Daly, T.	DEM	R	R	R	R			R			W	W*	R	6	2	75%	67%
Dickinson, R.	DEM	R	R	R	R			R			R	R	R	8	0	100%	95%
Donnelly, T.	REP	W	W	W	W			R	W	W	W	W	R	2	8	20%	11%
Eggman, S.	DEM	R	R	R	R			R		R	R	R	R	9	0	100%	94%
Fong, P.	DEM	R	R	R	R			R	R		R	R	R	9	0	100%	93%
Fox, S.	DEM	W	R	W	R	R**		R				R		5	2	71%	71%
Frazier, J.	DEM	R	W*	R	R			R			W	R	R	6	2	75%	69%
Gaines, B.	REP	W	W	W	W			R			W	W	R	2	6	25%	20%
Garcia, C.	DEM	R	R	R	R	R		R			W*	R	R	8	1	89%	88%
Gatto, M.	DEM	R	R	R	R			R		R	R	R	R	9	0	100%	87%
Gomez, J.	DEM	R	R	R	R					W*	R	R	R	7	1	88%	80%
Gonzalez, L.	DEM	R	R	R	R			R			R	R	R	8	0	100%	93%
Gordon, R.	DEM	R	R	R	R			R			R	R	R	8	0	100%	89%

LEGEND

- **R** = Right, voted for consumers
- \mathbf{R}^* = Present, did not vote, same as voting in favor of consumers
- \mathbf{R}^{**} = Author of a CFC-supported bill or action that they did not get a chance to vote on
- **W** = Wrong, voted against consumers

- \mathbf{W}^* = Present, did not vote same as voting against consumers
- \mathbf{W}^{**} = Author of a CFC-opposed bill or action that they did not get a chance to vote on
- -- Excused absence, not a member of committee, or not a member of the Assembly/Senate at the time the vote was cast

		Ŀ	Ŀ	Ŀ	Ŀ	ın Svcs.	Org.	Ŀ	نے	rops.		<u> </u>		ŧ	Bu		
Assembly Member	Party	AB 802 8/20 Floor	AB 1522 8/30 Floor	AB 1710 8/25 Floor	AB 1751 8/25 Floor	AB 2162 4/8 Human Svcs.	AB 2162 4/30 Gov. Org.	AB 2667 8/19 Floor	SB 52 6/24 E. &	SB 52 8/14 Approps.	SB 962 8/7 Floor	SB 1019 8/27 Floor	SB 1256 8/7 Floor	Total Right	Total Wrong	Percent	Lifetime
Gorell, J.	REP	R	W	W	W*			R			R	R	R	5	3	63%	30%
Gray, A.	DEM	R	R	W*	R		W	R			R	W	R	6	3	67%	65%
Grove, S.	REP	W*	W	W	W	W*		R			W	W	R	2	7	22%	14%
Hagman, C.	REP	W	W	W	W			R			W	R	R	3	5	38%	16%
Hall, I.	DEM	R	R	R	R	W*	W*	R	R		W*	R	R	8	3	73%	71%
Harkey, D.	REP	W	W	W	W			R			W	W*	R	2	6	25%	11%
Hernández, R.	DEM	R	R	R	R		R	R			R	R	R	9	0	100%	86%
Holden, C.	DEM	R	R	R	R			R		R	R	R	R	9	0	100%	93%
Jones, B.	REP	W	W	W	W		W	R		W	W	W	R	2	8	20%	13%
Jones-Sawyer, R.	DEM	R	R	R	R		W*	R			R	R	R	8	1	89%	88%
Levine, M.	DEM	R	R	R	R		W	R			R	R	R	8	1	89%	76%
Linder, E.	REP	W	W	W	W			R		W	W*	R	R	3	6	33%	31%
Logue, D.	REP	W	W	W	W			R			W	W	R	2	6	25%	15%
Lowenthal, B.	DEM	R	R	R	R			R			R	R	R	8	0	100%	98%
Maienschien, B.	REP	R	W	W	W	R		R			R	R	R	6	3	67%	47%
Mansoor, A.	REP	W	W	W	W			R			W*	W	R	2	6	25%	17%
Medina, J.	DEM	R	R	R	R		W*	R			R	R	R	8	1	89%	76%
Melendez, M.	REP	W	W	W	W			R			W	R	R	3	5	38%	33%
Mullin, K.	DEM	R	R	R	R			R			R	R	R	8	0	100%	87%
Muratsuchi, A.	DEM	R	R	R	R			R			R	R	R	8	0	100%	88%
Nazarian, A.	DEM	R	R	R	R			R			R	R	R	8	0	100%	93%
Nestande, B.	REP	W	W	W	W		W*	R			R	W	R	3	6	33%	19%
Olsen, K.	REP	W	W	W	W			R			W	W*	R	2	6	25%	14%
Pan, R.	DEM	R	R	R	R			R		R	R	R	R	9	0	100%	86%
Patterson, J.	REP	W		W	W			R			W	W	R	2	5	29%	29%
Perea, H.	DEM	R	R	R	R		W	R	R		W	W	R	7	3	70%	62%
Peréz, J.	DEM	R	R	R	R		 W*	R			R	R	R	8	0	100%	92%
Peréz, V.M.	DEM	R R	R R	W*	R R			R R		 W*	R R	R R	R R	7	2	78% 89%	78% 81%
Quirk, B. Quirk-Silva, S.	DEM DEM	R	R	R R	R			R			W	W	R	6	2	75%	73%
Rendon, A.	DEM	R	R	R	R			R			R	R	R	8	0	100%	87%
Ridley-Thomas, S.	DEM	W*	W	W*	R			R		 W	R	W	R	4	5	44%	44%
Rodriguez, F.	DEM	R	R	R	R			R	R		R	R	R	9	0	100%	100%
Salas, R.	DEM	R	R	R	R		W*	R			R	R	R	8	1	89%	76%
Skinner, N.	DEM	R	R	R	R			R			R	R	R	8	0	100%	95%
Stone, M.	DEM	R	R	R	R	R		R			R	R	R	9	0	100%	94%
Ting, P.	DEM	R	R	R	R			R			R	R	R	8	0	100%	93%
Wagner, D.	REP	W	W	W	W			R		W	W	W	R	2	7	22%	15%
Waldron, M.	REP	R	W	W	W		W	R			W	W	R	3	6	33%	29%
Weber, S.	DEM	R	R	R	R			R		R	R	W*	R	8	1	89%	81%
Wieckowski, B.	DEM	R	R	R	R			R			R	R	R	8	0	100%	93%
Wilk, S.	REP	W	W	W	W		W	R			R	W	R	3	6	33%	31%
Williams, D.	DEM	R	R	R	R			R			R	R	R	8	0	100%	94%
Yamada, M.	DEM	R	W	R	R			R			R	R	R	7	1	88%	93%

2014 Consumer Scorecard for State Lawmakers: Senate

<u>.</u>		22 100r	51 loor	37 loor	2 Ioor	38 loor	36 loor	3 loor	SB 661 1/14 Judiciary	2 Ioor	Night	Vrong	ntage	ntage
Senator	Party	AB 1522 8/29 Floor	AB 1751 8/21 Floor	AB 2667 8/18 Floor	AB 802 8/18 Floor	SB 1188 5/28 Floor	SB 1256 8/11 Floor	SB 383 1/30 Floor	SB 661 1/14 J	SB 962 8/11 Floor	Total Right	Total Wrong	Percentage	Lifetime Percentage
Anderson, J.	REP	W*	W	R	W	W	R	W		R	3	5	38%	19%
Beall, J.	DEM	W*	R	R	R	R	R	W*		R	6	2	75%	94%
Berryhill, T.	REP	W	W*	R	W	W	R	W		W	2	6	25%	15%
Block, M.	DEM	R	R	R	R	R	R	W*		R	7	1	88%	93%
Calderon, R.	DEM							R			1	0	100%	50%
Cannella, A.	REP	W*	R	R	W	W	R	W*		R	4	4	50%	29%
Corbett, E.	DEM	R	R	R	R	R	R	R	R	R	9	0	100%	100%
Correa, L.	DEM	R	R	R	R	W	R	R		R	7	1	88%	56%
De León, K.	DEM	R	R	R	R	R	R	R		R	8	0	100%	93%
DeSaulnier, M.	DEM	R	R	R	R	R	R	R		R	8	0	100%	94%
Evans, N.	DEM	R	R	R	R	R	R	R	R	R	9	0	100%	96%
Fuller, J.	REP	W*	W	R	W	W	R	W		W	2	6	25%	16%
Gaines, T.	REP	W	R	R	W	W	R	W		R	4	4	50%	20%
Galgiani, C.	DEM	R	W*	R	R	W	R	W		R	5	3	63%	57%
Hancock, L.	DEM	R	R			R		R			4	0	100%	99%
Hernandez, E.	DEM	R	R	R	R	R	R	W		R	7	1	88%	76%
Hill, J.	DEM	R	R	R	R	R	R	W		R	7	1	88%	86%
Hueso, B.	DEM	R	R	R	R	W*	R	R		R	7	1	88%	81%
Huff, B.	REP	W	W	R	W	W	R	W		W	2	6	25%	15%
Jackson, H.	DEM	R	R	R	R	R	R	R	R	R	9	0	100%	100%
Knight, S.	REP	W	W	R	W	W	R	W		W	2	6	25%	10%
Lara, R.	DEM	R	W*	R	R	R	R	R		R	7	1	88%	87%
Leno, M.	DEM	R	R	R	R	R	R	R	R	R	9	0	100%	100%
Lieu, T.	DEM	W*	R	R	R	R	R	R		R	7	1	88%	87%
Liu, C.	DEM	R	R	R	R	R	R	R		R	8	0	100%	95%
Mitchell, H.	DEM	R	R	R	R	R	R	R		R	8	0	100%	89%
Monning, W.	DEM	R	R	R	R	R	W*	R	R*	R	8	1	89%	97%
Morrell, M.	REP	W*	W	R	W	W	R			W	2	5	29%	14%
Nielsen, J.	REP	W	W	R	W	W	R			W	2	5	29%	19%
Padilla, A.	DEM	R	R	R	R	R	R	R		R	8	0	100%	85%
Pavley, F.	DEM	R	R	R	R	R	R	R		R	8	0	100%	98%
Roth, R.	DEM	W*	R	R	W*	R	R	R		R	6	2	75%	81%
Steinberg, D.	DEM	R	R	R	R	R	R	R		R	8	0	100%	95%
Torres, N.	DEM	R	R	R	W*	W*	R	W		R	5	3	63%	73%
Vidak, A.	REP	W	R	R	W	W	R	W	W	W	3	6	33%	29%
Walters, M.	REP	W		R	W	W	R	W		W	2	5	29%	9%
Wolk, L.	DEM	R	R	R	W*	R	R	R		R	7	1	88%	92%
Wright, R.	DEM										0	0		65%
Wyland, M.	REP	W	W*	R	W	W	R	W		R	3	5	38%	23%
Yee, L.	DEM							R			1	0	100%	81%

ABOUT US

The Consumer Federation of California (CFC) is a non-profit advocacy organization. Since 1960, CFC has been a powerful voice for consumer rights, campaigning for state and federal laws that place consumer protection ahead of corporate profit. Each year, CFC testifies before the California legislature on dozens of bills that affect millions of our state's consumers and appears before state agencies in support of consumer regulations.

Contributions are not tax deductible.

KEEP IN TOUCH

Consumer Federation of California 1107 9th Street, Suite 625 Sacramento, CA 95814 Phone: (916) 498-9608 Fax: (916) 498-9611

Email: mail@consumercal.org Website: www.consumercal.org

Jim Gordon, President

Richard Holober, Executive Director

Brian Taylor, Newsletter Editor



Non-Profit Org U.S. Postage

PAID

Sacramento, CA Permit No. 1691

▶ GEICO, CONTINUED FROM FRONT PAGE quotes is a separate violation of California insurance law.

The resulting premium quotes range from 40% to 54% higher, and are \$75 to \$132 more costly for six months' coverage for a 14-year-old compact car (CFC's test quotes were for a 2000 Honda Civic), than the quote an otherwise identical driver would receive if that driver were married, or a college graduate, or in a higher-income occupation, or currently insured.

Targeted motorists either pay for excessive coverages they are falsely told are the lowest available, or GEICO drives

them away with its costly quotes. Either way, GEICO is breaking California's insurance regulations and

civil rights law, CFC alleges.

The civil rights complaint is based on GEICO's discriminatory treatment of unmarried consumers, as well

as discriminatory treatment of women in the recent past, which is documented in CFC's filing.

Compounding the misrepresentation of "Lowest Limits," GEICO quotes these targeted consumers a six-month premium payment amount. All other good drivers are quoted a one-month amount. As a result of this disparate presentation, big, bold type shows targeted drivers a cost that's as much as 900% higher than what the website shows an identical college grad, married, insured, or upper-income occupation driver.

State insurance regulations do not permit use of education, occupation, or prior insurance as "rating factors," and therefore an insurer should not require a potential customer to furnish this information before it provides a rate quote, the CFC charges in additional allegations. An insurer may use marital status in setting rates – but not to mislead unmarried drivers about minimum coverage amounts.

CFC's complaint, formally called a petition, cites this example:

A single woman living in Fresno with

a perfect driving record who is not

a college graduate, who works as a vice president in a private company and has no prior insurance, will be offered a "Lowest Limits" quote on GEICO's website for a 15/30/25 policy at \$162.18 for a six-month period (\$324.36 per year). If that same woman indicates on GEICO's website that she instead works as a cashier, she will be offered a 100/300/50 policy, described as a "Lowest Limits" policy, for \$289.68 over six months (\$579.36 per year).

The same switch in online rate quotes occurs if the driver changes educational attainment from college graduate to high school graduate, or from married to unmarried, or from insured to uninsured.

GEICO is the nation's second-largest auto insurer, with one million auto policyholders in California who pay over a billion dollars per year for their coverage.

The company is subject to fines of \$5,000 to \$10,000 for each violation, which could number into the millions, given the relentless marketing of its online quotes.

EXHIBIT E

Exhibit E: Any annual or year-end report for the prior year (Cal. Code Regs., Tit. 10 \S 2662.2(a)(2)(E)).

CFC does not produce an annual or year-end report.

EXHIBIT F

Exhibit F: Statement as to whether or not the group has been granted non-profit status under Internal Revenue Code Section 501(c) (Cal. Code Regs., Tit. 10 § 2662(a)(2)(F)).

INTERNAL REVENUE SERVICE P. O. BOX 2508 CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

MAY 2 5 2001

CONSUMER FEDERATION OF CALIFORNIA C/O JIM GORDON PRESIDENT 1228 N STREET SUITE 29 SACRAMENTO, CA 95616-7621 Employer Identification Number:

DLN:
601117062
Contact Person:
NORMA JULES
Contact Telephone Number:
(877) 829-5500
Internal Revenue Code
Section 501(c)(4)
Accounting Period Ending:
December 31
Form 990 Required:
Yes
Addendum Applies:

ID# 95007

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in the section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to this office.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth

Letter 948 (DO/CG)

CONSUMER PEDERATION OF CALIFORNIA

month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Donors may not deduct contributions to you because you are not an organization described in section 170(c) of the Code. Under section 6113, any fundraising solicitation you make must include an express statement (in a conspicuous and easily recognizable format) that contributions or gifts to you are not deductible as charitable contributions for Federal income tax purposes. This provision does not apply, however, if your annual gross receipts are normally \$100,000 or less, or if your solicitations are made to no more than ten persons during a calendar year. The law provides penalties for failure to comply with this requirement, unless failure is due to reasonable cause.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt

CONSUMER FEDERATION OF CALIFORNIA

status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Steven T. Miller

Director, Exempt Organizations

EXHIBIT G

Exhibit G: A listing, by general category, of the Consumer Federation of California's funding sources for the prior twenty-four (24) months and the approximate total percentage of Consumer Federation of California'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 (Cal. Code Regs., Tit. 10 § 2662.2(a)(2)(G));

General

Intervenor Compensation Awarded by PUC and CDI:	51.4%
Court Ordered Cy Pres Awards in Consumer Litigation:	32.1%
Membership dues and contributions:	10.8%
Dividends and interest:	3.0%
Rental income:	2.7%

Grants

None received.

EXHIBIT H

The Consumer Federation of California is a non-profit federation of several organizations, as well as individual members. Organizational members include consumer groups, senior citizen groups, labor organizations and other organizations that are composed of California consumers, all of whom are residential customers of California public utilities. The following are among the diverse groups which belong to the Federation (and the estimated number of consumers in their membership): California Public Interest Research Group (5,000); Communications Workers of America (50,000); Older Women's League; California Nurses Association (60,000); California Teachers Association (330,000); California Federation of Teachers (100,000); Customers for Automobile Reliability and Safety; Consumer Attorneys of California (5,000); California Teamsters Public Affairs Council (150,000); United Food and Commercial Workers – States Council (150,000); Southern California District Council of Laborers (20,000).

There are approximately 30 to 40 other organizational members.

EXHIBIT I

Exhibit I: List of highlighted 2015-2016 legislation



April 25, 2016
Consumer Federation of California
Legislative Update – 2016 Legislative Year

2016 Sponsored Bills

CFC is sponsoring 3 bills and co-sponsoring 1 bill.

AB 886 (Chau D) Transportation service network provider: passenger privacy.

Location: 1/15/2016-A. DEAD

Summary: The Passenger Charter-Party Carriers' Act prohibits a transportation network company from disclosing personally identifiable information of a passenger, with certain exceptions, including when the passenger knowingly consents or pursuant to a legal obligation. This bill would modify the knowing consent exception to the prohibition against disclosure of personally identifiable information by requiring the affirmative consent of a passenger through an opt-in selection that is separate from and not conditioned on various other transactions between the passenger and the transportation network company.

Position sponsor

<u>SB 648</u> (<u>Mendoza</u> D) Health and care facilities: referral agencies.

Location: 1/27/2016-A. DESK

Summary: Would require a referral agency to obtain a license from the State Department of Social Services in order to refer a person to a residential care facility for the elderly and would prohibit an extended care facility, skilled nursing home, intermediate care facility, or residential care facility for the elderly from paying a commission or fee to a referral agency that is not licensed, as specified. The bill would prohibit a referral agency from holding any power of attorney or any other property of a person receiving referral services, or from disclosing any personal information of a person receiving services, unless authorized to do so.

Position sponsor

<u>SB 763</u> (<u>Leno</u> D) Juvenile products: flame retardant chemicals.

Location: 9/11/2015-A. 2 YEAR

Summary: Would require a manufacturer of juvenile products, as defined, that sells juvenile products that contain added flame retardant chemicals, as defined, in California, to include a specified statement on a label, that meets certain labeling requirements. This bill contains other related provisions and other existing laws.

Position co-sponsor

SB 899 (Hueso D) Gender discrimination.

Location: 4/19/2016-S. THIRD READING

Summary: Current law prohibits a business establishment from discriminating against a person because of the person's gender with respect to the price charged for services of similar or like kind. This bill would also prohibit discrimination because of a person's gender with respect to the price charged for goods of a substantially similar or like kind, except for food, as defined. The bill would specify that a price difference based specifically on labor, materials, tariffs, or other gender-neutral reasons for having an increased cost of providing the goods is not included within this prohibition.

Position sponsor

2016 Supported Bills

CFC has taken a support position on 32 bills.

AB 1554 (Irwin D) Powdered alcohol.

Location: 4/25/2016-A. SECOND READING

Summary: Would prohibit the Department of Alcoholic Beverage Control from issuing a license to manufacture, distribute, or sell powdered alcohol, as defined, and would require the department to revoke the license of any licensee who manufactures, distributes, or sells powdered alcohol, as provided. This bill would prohibit the purchase, sale, offer for sale, distribution, manufacture, possession, or use of powdered alcohol and would make the violation of these provisions punishable as an infraction.

Position support

AB 1564 (Williams D) Emergency services: wireless 911 calls: routing.

Location: 4/21/2016-A. APPR.

Summary: Would require that a provider of commercial mobile radio service, as defined, provide access for end users of that service to the local emergency telephone systems described in the Warren-911-Emergency Assistance Act, that "911" be the primary access number for those services, and that user validation not be required. The bill would prohibit a provider of commercial mobile radio service from charging any airtime, access, or similar usage charge for any "911" call placed from a commercial mobile radio service telecommunications device to a local emergency telephone system.

Position support

AB 1570 (Chang R) Collectibles: sale of autographed memorabilia.

Location: 3/29/2016-A. P. & C.P.

Summary: Current law regulates the sale or offer to sell by a dealer to a consumer of a collectible in or from this state, as specified. This bill would instead define the term "collectible" to mean all autographed items, whether or not sports related, as specified, and would make conforming changes to the provisions regulating the sale or offer to sell by a dealer to a consumer of a collectible in this state.

Position support

AB 1676 (Campos D) Employers: salary information.

Location: 4/21/2016-A. APPR.

Summary: Would prohibit an employer, including state and local government employers, from seeking salary history information about an applicant for employment, except as otherwise provided. The bill would require an employer, except state and local government employers, upon reasonable request, to provide the pay scale for a position to an applicant for employment. The bill would specify that a violation of its provisions would not be subject to the misdemeanor provision.

Position support

AB 2159 (Gonzalez D) Evidence: immigration status.

Location: 4/7/2016-S. RLS.

Summary: Current law provides that all relevant evidence is admissible in an action before the court, including evidence relevant to the credibility of a witness or hearsay declarant, subject to specified exceptions. This bill would provide that, in civil actions for personal injury or wrongful death, evidence of a person's immigration status is not admissible and discovery of a person's immigration status is not permitted. The bill would also provide that these restrictions do not

affect the standards of relevance, admissibility, or discovery under other specified provisions of law.

Position support

AB 2251 (Stone, Mark D) Student loan servicers: licensing and regulation: Student Loan Borrower's Bill of Rights.

Location: 4/21/2016-A. APPR.

Summary: Would enact the Student Loan Borrower's Bill of Rights providing for the licensure, regulation, and oversight of student loan servicers engaging in the servicing of student education loans for student loan borrowers, as those terms are defined, by the Commissioner of Business Oversight. The bill would prohibit a person from acting as a student loan servicer without a license, unless exempt from the licensing requirement and would require a licensee to provide specific services to a student loan borrower.

Position support

AB 2581 (Medina D) Higher education: campus closures: Corinthian Colleges, Inc.

Location: 4/19/2016-A. APPR.

Summary: Would appropriate the sum of \$1,300,000 from the Student Tuition Recovery Fund to the Attorney General for the purposes of providing grants to eligible nonprofit community service organizations to assist eligible students affected by the closure of Corinthian Colleges, Inc., as defined, with loan discharge and other student loan-related requests and tuition recovery-related claims, and to pay an amount not to exceed \$150,000 for the reasonable administrative costs of the Attorney General's office related to these grants, as specified.

Position support

AB 2603 (Nazarian D) Public Utilities Commission: Passenger Charter-party Carriers' Act: complaint registration and resolution mechanism.

Location: 4/21/2016-A. U. & C.

Summary: Charter-party carriers of passengers, including transportation network companies, are subject to the jurisdiction and control of the Public Utilities Commission under the Passenger Charter-party Carriers' Act. This bill would require the commission to establish a telephone communications service, with a designated telephone number, that would be available to members of the public to communicate to the commission any concerns, or register complaints, regarding service provided by charter-party carriers of passengers, including transportation network companies.

Position support

AB 2652 (Eggman D) California Private Postsecondary Education Act of 2009: applicability.

Location: 4/20/2016-A. SECOND READING

Summary: The California Private Postsecondary Education Act of 2009, provides, among other things, for student protections and regulatory oversight of private postsecondary institutions in the state. The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. This bill would, to the extent authorized by federal law, require a private entity with no physical presence in California, that would be subject to the requirements of this act if the entity was located in this state, to register with the bureau and participate in the act's Student Tuition Recovery Fund for its California students.

Position support

AB 2667 (Thurmond D) Civil rights: Unruh Civil Rights Act: waivers.

Location: 3/16/2016-A. JUD.

Summary: Would require a waiver of a legal right, penalty, remedy, forum, or procedure for a violation of the Unruh Civil Rights Act, including the right to file and pursue a civil action or complaint with, or otherwise notify, the Attorney General or any other public prosecutor, or law enforcement agency, the Department of Fair Employment and Housing, or any other governmental entity, to be knowing and voluntary, in writing, and expressly not made as a condition of entering into a contract for goods or services or as a condition of providing or receiving goods and services.

Position support

AB 2707 (Ridley-Thomas D) Stop Consumer Racial Profiling Act of 2016.

Location: 4/20/2016-A. APPR.

Summary: Would enact the Stop Consumer Racial Profiling Act of 2016, which would prohibit a business establishment from using consumer racial profiling, as defined. The bill would also make the Department of Fair Employment and Housing responsible for the enforcement of the act.

Position support

AB 2795 (Lopez D) Telephony: unlisted numbers.

Location: 3/28/2016-A. U. & C.

Summary: Current law prohibits a subscriber from being charged for making the choice to not have his or her name and mobile telephony dialing number listed in a publicly available directory assistance database. This bill would prohibit a subscriber from being charged for making a choice to not have the above information listed in a directory.

Position support

AB 2828 (Chau D) Personal information: privacy: breach.

Location: 4/20/2016-A. APPR. SUSPENSE FILE

Summary: Would also require a person or business conducting business in California, and any agency, that owns or licenses computerized data that includes personal information to disclose a breach of the security of the data to a resident of California whose encrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person if the encryption key or security credential, as defined, has, or is reasonably believed to have been, acquired by an unauthorized person at any time before or after the breach of security of the data.

Position support

<u>SB 3</u> (<u>Leno</u> D) Minimum wage: in-home supportive services: paid sick days.

Location: 4/4/2016-S. CHAPTERED

Summary: Would require the State Department of Social Services, in consultation with stakeholders, to convene a workgroup to implement paid sick leave for in-home supportive services providers and to issue guidance in that regard by December 1, 2017. The bill would authorize the department to implement that paid sick leave without complying with the Administrative Procedure Act. This bill contains other related provisions and other existing laws.

Position support

SB 215 (Leno D) Public Utilities Commission.

Location: 1/26/2016-A. DESK

Summary: Would require the Public Utilities Commission to additionally adopt procedures on disqualification of commissioners due to bias or prejudice similar to those of other state agencies and superior courts. For ratesetting or adjudicatory proceedings, the bill would require a commissioner or an administrative law judge to be disqualified if there is an appearance of bias or prejudice based on specified criteria. The bill would prohibit commission procedures from authorizing a commissioner or administrative law judge from ruling on a motion made by a party to a proceeding to disqualify the commissioner or administrative law judge due to bias or prejudice.

Position support

SB 482 (Lara D) Controlled substances: CURES database.

Location: 4/7/2016-A. RLS.

Summary: Would require all prescribers, as defined, prescribing a Schedule II or Schedule III controlled substance, to consult a patient's electronic history in the CURES database before prescribing the controlled substance to the patient for the first time. The bill would also require the prescriber to consult the CURES database at least annually when the prescribed controlled substance remains part of the patient's treatment.

Position support

SB 488 (Block D) Public insurance adjusters.

Location: 1/26/2016-A. DESK

Summary: Would revise and recast specified provisions by, among other things, redefining a "public insurance adjuster" to include any person who, for compensation or any other thing of value on behalf of an insured, acts or aids, solely in relation to first party claims arising under insurance contracts that insure the real or personal property of the insured, on behalf of an insured in negotiating for, or effecting the settlement of, a claim for loss or damage coverage by an insurance contract, or advertises for employment as a public adjuster of insurance claims or solicits business or represents himself or herself to the public as a public adjuster of first party insurance claims for losses or damages arising out of policies of insurance that insure real or personal property.

Position support

SB 778 (Allen D) Automotive repair: oil changes: notification to customers.

Location: 1/26/2016-A. DESK

Summary: Would require an automotive repair dealer to notify a customer, who is purchasing an oil change, of the recommended oil drain interval, oil grade, and viscosity specified in the maintenance schedule of the vehicle's owner's manual. The bill would also require, except as specified, an automotive repair dealer to use the oil drain interval specified in the maintenance schedule of the vehicle's owner's manual if the automotive repair dealer is recommending the date or mileage for the next oil change, as described.

Position support

SB 819 (Huff R) Powdered alcohol.

Location: 4/18/2016-A. DESK

Summary: Would prohibit the Department of Alcoholic Beverage Control from issuing a license to manufacture, distribute, or sell powdered alcohol, as defined, and would require the department to revoke the license of any licensee who manufactures, distributes, or sells powdered alcohol, as provided. This bill would prohibit the possession, purchase, sale, offer for sale, distribution, manufacture, or use of powdered alcohol and would make the violation of these provisions punishable as an infraction. This bill contains other related provisions and other existing laws.

Position support

SB 924 (Roth D) Insurance: annuity transactions.

Location: 4/14/2016-S. APPR.

Summary: Current law requires insurers and insurance producers, as defined, to comply with specified requirements regarding the purchase, exchange, or replacement of an annuity recommended to a consumer, including, but not limited to, having reasonable grounds for the insurance producer believing the annuity transaction would be suitable for the consumer based on "suitability information," including, among other factors, age, annual income, and whether the consumer has a reverse mortgage. Current law authorizes the commissioner to require certain actions by, and impose sanctions and penalties on, insurers and their agents for a violation of these provisions. This bill would add to the suitability information whether the consumer intends to apply for means-tested government benefits, including, but not limited to, Medi-Cal or the veterans' aid and attendance benefit.

Position support

<u>SB 939</u> (<u>Monning</u> D) Continuing care contracts: cancellation: payments.

Location: 4/18/2016-A. DESK

Summary: Would specify that a continuing care retirement facility pay the full lump-sum payment that is conditioned upon resale of a unit to a resident, including any interest accrued, within 14 days after resale of a unit. The bill would require a continuing care retirement facility, for contracts signed after January 1, 2017, to pay a resident or his or her estate a specified portion of the full lump sum owed, notwithstanding a provider's documented good-faith effort to resell the unit, if the unit remains vacant 120 days after the resident's termination.

Position support

SB 1033 (Hill D) Medical Board: disclosure of probationary status.

Location: 4/12/2016-S. APPR.

Summary: Would require specified regulatory entities of the Medical Board of California, to require a licensee to disclose on a separate document her or his probationary status to a patient, the patient's guardian, or the health care surrogate prior to the patient's first visit following the probationary order while the licensee is on probation under specified circumstances, including an accusation alleging, a statement of issues indicating, or an administrative law judge's legal conclusion finding the licensee committed gross negligence or the licensee having been on probation more than once, among others.

Position support

<u>SB 1063</u> (<u>Hall</u> D) Conditions of employment: wage differential: race or ethnicity.

Location: 4/25/2016-S. APPR. SUSPENSE FILE

Summary: Current law prohibits an employer from paying any of its employees at wage rates less than the rates paid to employees of the opposite sex for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions, unless the employer demonstrates that specific, reasonably applied factors account for the entire wage differential. This bill would expand that prohibition to also prohibit an employer from paying any of its employees at wage rates less than the rates paid to employees of another race or ethnicity for substantially similar work, as specified.

Position support

SB 1065 (Monning D) Dismissal or denial of petitions to compel arbitration: appeals.

Location: 3/31/2016-S. JUD.

Summary: Would provide that if a party has filed a claim pursuant to the Elder and Dependent Adult Civil Protection Act and has been granted a preference, no appeal may be taken by an opposing party from an order dismissing or denying a petition to compel arbitration.

Position support

SB 1130 (Wieckowski D) False advertising: substantiation of claims: county counsel.

Location: 4/7/2016-A. DESK

Summary: Current law authorizes the Director of Consumer Affairs, the Attorney General, any city attorney, or any district attorney to take specified actions upon failure of the advertiser to adequately substantiate a claim within a reasonable time or if the requesting official has reason to believe that the advertising claim is false or misleading. This bill would additionally authorize a county counsel to request official evidence of the facts on which the advertising claims are based and take the above-referenced actions on the failure of the advertiser to respond or if the county counsel has reason to believe the advertising claim is false or misleading.

Position support

SB 1150 (Leno D) Mortgages and deeds of trust: mortgage servicers and lenders: successors in interest.

Location: 4/21/2016-S. JUD.

Summary: Would prohibit a mortgage servicer or lender, as defined, upon notification that a borrower has died, from recording a notice of default until the mortgage servicer or lender does certain things, including requesting reasonable documentation of the death of the borrower from a claimant, which is someone claiming to be a successor in interest, that is not a party to the loan or promissory note and providing a reasonable period of time for the claimant to present the requested documentation.

Position support

SB 1250 (McGuire D) Telecommunications: major rural outages: notifications and reporting.

Location: 4/5/2016-S. APPR.

Summary: Would impose, on a facilities-based provider of telecommunications services that the Federal Communications Commission requires to provide access to 911 service, certain notification and reporting requirements for a major rural outage of telecommunications services, with the requirements to be adopted by the Public Utilities Commission in consultation with the Office of Emergency Services. The bill would make these requirements enforceable through the Public Utilities Act.

Position support

SB 1302 (McGuire D) Basic property insurance: California FAIR Plan.

Location: 4/19/2016-S. APPR.

Summary: Would require the California FAIR (fair access to insurance requirements) Plan Association to establish and maintain an Internet Web site at which a person may receive information and assistance in applying for insurance through the plan and would require the association to include the toll-free telephone number and the Internet Web site address on all communications with an applicant or an insured.

Position support

SB 1365 (Hernandez D) Hospitals.

Location: 4/21/2016-S. APPR.

Summary: Would require an entity that operates or controls a hospital, as defined, and that also operates, controls, or leases real property for use as an outpatient treatment setting, to ensure that the outpatient facility does not charge a fee to or impose costs on a patient or other payer for inpatient care or hospital care, except as provided. By expanding a crime, this bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

Position support

SB 1428 (Hernandez D) Online contracts.

Location: 3/10/2016-S. JUD.

Summary: Current law generally regulates formation and enforcement of contracts, including how a contract is extinguished. This bill would require a contract that is entered into online that includes a provision for the automatic renewal of the term of the contract to include a provision that allows a party to terminate the contract in the same manner as the contract was entered into.

Position support

SB 1441 (Leno D) Natural gas: methane emissions.

Location: 4/25/2016-S. APPR.

Summary: Would require the State Air Resources Board, in consultation with the Public Utilities Commission and other relevant state agencies, to adopt by regulation no later than January 1, 2020, methane emissions reduction measures for the emissions associated with the extraction, production, storage, processing, and transportation of natural gas used in the state, including imports, that will achieve a reduction in methane emissions of at least 40% below 2012 methane emissions levels by 2025, as specified.

Position support

SBX2 5 (Leno D) Electronic cigarettes.

Location: 4/22/2016-S. ENROLLED

Summary: Would define the term "smoking" for purposes of the STAKE Act. The bill would also change the STAKE Act's definition of "tobacco products" to include electronic devices, such as electronic cigarettes, that deliver nicotine or other vaporized liquids, and make furnishing the tobacco product to a minor a misdemeanor. This bill contains other related provisions and other existing laws.

Position support

2016 Opposed Bills

CFC has taken an oppose position on 8 bills.

AB 516 (Mullin D) Vehicles: temporary license plates.

Location: 2/10/2016-S. THIRD READING

Summary: Would require the DMV to develop an operational system, no later than January 1, 2018, that allows a dealer or lessor-retailer to electronically report the sale of a vehicle and provide a temporary license plate, as specified. The bill would, commencing January 1, 2017, authorize the department to assess specified administrative fees on processing agencies to support the administration of this system. This bill contains other related provisions and other existing laws.

Position oppose

AB 1820 (Quirk D) Unmanned aircraft systems.

Location: 4/21/2016-A. APPR.

Summary: Would generally prohibit a law enforcement agency from using an unmanned aircraft system, obtaining an unmanned aircraft system from another public agency by contract, loan, or other arrangement, or using information obtained from an unmanned aircraft system used by another public agency, except as provided by the bill's provisions. The bill would make its provisions applicable to all law enforcement agencies and private entities when contracting with or acting as the agent of a law enforcement agency for the use of an unmanned aircraft system.

Position oppose

AB 2315 (Olsen R) Asbestos Tort Trust Transparency Act.

Location: 3/3/2016-A. JUD.

Summary: Would enact the Asbestos Tort Claim Trust Transparency Act, which would establish additional procedures with respect to civil actions pertaining to asbestos tort claims, as defined. The bill would, among other things, require, that a plaintiff disclose specified information with respect to any asbestos trusts, as defined, against which the plaintiff has or could pursue a claim, and would entitle a defendant to discover relevant information pertaining to the plaintiff held by other asbestos trusts and to pursue various motions.

Position oppose

AB 2395 (Low D) Telecommunications: replacement of public switched telephone network.

Location: 4/21/2016-A. APPR.

Summary: Would require a telephone corporation that is transitioning to IP enabled services and networks to complete a customer education and outreach program before seeking to withdraw traditional circuit-switched and other legacy telephone services. The education and outreach program would be required to explain the transition from legacy public switched telephone network services regulated by the Public Utilities Commission to IP enabled services, the benefits and advantages of IP enabled services, a description of the advanced services available to consumers, and information regarding the projected timeframes for the transition.

Position oppose

AB 2636 (Linder R) Certified copies of marriage, birth, and death certificates: electronic application.

Location: 4/20/2016-A. APPR.

Summary: Would, if the request for a certified copy of a birth, death, or marriage record is made electronically, authorize the official to accept electronic acknowledgment verifying the identity of the applicant using a multilayered remote identity proofing process that includes guidelines for security and privacy, and satisfying other specified requirements, ensuring that the applicant is an authorized person. If an applicant's identity cannot be established electronically, the applicant shall include with his or her request a statement of identity notarized pursuant to existing law.

Position oppose

AB 2688 (Gordon D) Privacy: commercial health monitoring programs.

Location: 4/12/2016-A. P. & C.P.

Summary: Would prohibit an operator of a commercial health monitoring program from intentionally sharing, selling, disclosing, using for marketing, or otherwise using health information in possession of or derived from a commercial health monitoring program to a 3rd party, as defined, without first obtaining explicit authorization, as provided, and would extend this prohibition to a 3rd party that solely provides a service to the program. The bill would also require an employer that receives health information in possession of or derived from a commercial health monitoring program to establish procedures to ensure the confidentiality of, and protection from unauthorized use and disclosure of, that information, as provided.

Position oppose

AB 2827 (Levine D) Advertising: Made in U.S.A. label: violations: cure.

Location: 3/28/2016-A. JUD.

Summary: Would prohibit a civil action against a person or business that is alleged to have violated the provisions of the "Made in U.S.A." or "Made in California" statutes unless written notice of the alleged violations is provided and the person or business has not cured the alleged violation within 33 days of receiving the notice.

Position oppose

SB 1159 (Hernandez D) California Health Care Cost and Quality Database.

Location: 4/20/2016-S. APPR.

Summary: Would require certain health care entities, including health care service plans, to provide specified information to the Secretary of California Health and Human Services. The bill would authorize the secretary to report a health care entity that fails to comply with that requirement to the health care entity's regulating agency and would authorize the regulating agency to enforce that requirement using its existing enforcement procedures. This bill contains other related provisions and other existing laws.

Position oppose unless amended

PROOF OF SERVICE [BY OVERNIGHT OR U.S. MAIL, FAX TRANSMISSION, EMAIL TRANSMISSION AND/OR PERSONAL SERVICE]

State of California, City of Sacramento, County of Sacramento

I am employed in the City of Sacramento and County of Sacramento, State of California. I am over the age of 18 years and not a party to the within action. My business address is 1107 9th St., Suite 625, Sacramento, CA 95814, and I am employed in the city and county where this service is occurring.

On May 27, 2016 between 3:30PM and 4:30PM, I caused service of true and correct copies of the document entitled

CONSUMER FEDERATION OF CALIFORNIA'S REQUEST FOR FINDING OF ELIGIBILITY TO SEEK COMPENSATION

upon the persons named in the attached service list, in the following manner:

- 1. If marked FAX SERVICE, by facsimile transmission this date to the FAX number stated to the person(s) named.
- 2. If marked EMAIL, by electronic mail transmission this date to the email address stated.
- 3. If marked U.S. MAIL or OVERNIGHT or HAND DELIVERED, by placing this date for collection for regular or overnight mailing true copies of the within document in sealed envelopes, addressed to each of the persons so listed. I am readily familiar with the regular practice of collection and processing of correspondence for mailing of U.S. Mail and for sending of Overnight mail. If mailed by U.S. Mail, these envelopes would be deposited this day in the ordinary course of business with the U.S. Postal Service. If mailed Overnight, these envelopes would be deposited this day in a box or other facility regularly maintained by the express service carrier, or delivered this day to an authorized courier or driver authorized by the express service carrier to receive documents, in the ordinary course of business, fully prepaid.

I declare under penalty of perjury that the foregoing is true and correct. Executed on May 27, 2016, at Sacramento, California.

Megan Varvais

PROOF OF SERVICE - 1

SERVICE LIST

Person Served

Method of Service

Tina Warren	FAX
California Department of Insurance	U.S. MAIL
45 Fremont Street, 21st Floor	OVERNIGHT MAIL
San Francisco, CA 94105	HAND DELIVERED
Tel. No.: (415) 538-4500	X EMAIL
Fax No.: (415) 904-5490	The side was selected as the second as the s
Tina.warren@insurance.ca.gov	
California Department of Insurance	
•	
Edward Wu	FAX
Public Advisor	U.S. MAIL
Office of the Public Advisor	X OVERNIGHT MAIL
California Department of Insurance	HAND DELIVERED
300 South Spring Street, 12th Floor	X EMAIL
Los Angeles, CA 90013	
Tel. No.: (213) 346-6635	
Fax No.: (213) 897-9241	
edward.wu@insurance.ca.gov	