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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA

In the Matter of the Rate Application of

Metropolitan Direct Property and
Casualty Insurance Company,
Applicant.

File No.: PA-2014-00004

**CONSUMER WATCHDOG'S REQUEST
FOR FINDING OF ELIGIBILITY TO
SEEK COMPENSATION**

[Ins. Code §1861.10; Cal. Code Regs, tit. 10,
§ 2662.2]

CONSUMER WATCHDOG hereby requests a finding of eligibility to seek compensation in proceedings before the California Department of Insurance ("CDI"). This request is based on the facts as set forth herein, the attached exhibits, and the accompanying verification of Pamela Pressley.

PETITIONER

1. Petitioner, Consumer Watchdog, is a 501(c)(3) nonprofit, nonpartisan, public-interest corporation organized to represent the interests of taxpayers and consumers. Consumer Watchdog was originally incorporated as The Network Project in 1985, changed its name to The Foundation for Taxpayer and Consumer Rights in 1998, and changed its name to Consumer Watchdog in 2008. (See Articles of Incorporation and amendments, attached hereto as Exhibit A.) One of Consumer Watchdog's chief missions is to represent the interests of insurance policyholders, particularly as they relate to the implementation and enforcement of Proposition 103 in matters before the Legislature, the courts, and the CDI.

1 2. Consumer Watchdog’s founder wrote Proposition 103 and led the successful campaign
2 for its enactment by California voters in 1988. Consumer Watchdog’s staff and consultants include
3 some of the nation’s foremost consumer advocates and experts on insurance ratemaking matters.

4 3. Consumer Watchdog is primarily funded by: 1) contributions from members of the
5 public throughout California; 2) grants; 3) awards of attorneys fees and expenses; and
6 4) intervenor funding. (See Exhibit E attached hereto for approximate percentages of Consumer
7 Watchdog’s overall budget.) Other than the interests of consumers statewide, Consumer Watchdog
8 represents no other interests.

9 4. Consumer Watchdog has served as a public watchdog with regard to insurance rates and
10 insurer rollback liabilities under Proposition 103 by: monitoring rollback settlements and the status of
11 the rollback regulations; reviewing and challenging rate filings made by insurers seeking rate increases;
12 participating in rulemaking and adjudicatory hearings before the CDI; bringing and joining civil
13 lawsuits to ensure proper application of Proposition 103; bringing and joining actions to overturn
14 legislative acts that do not further the purpose of Proposition 103; and educating the public concerning
15 industry underwriting and rating practices and their rights under Proposition 103 and other provisions
16 of state law.

17 5. Consumer Watchdog and its attorneys have participated in virtually every lawsuit
18 concerning Proposition 103’s constitutionality and scope to uphold its protections for consumer
19 policyholders.¹

20 6. Consumer Watchdog has initiated and/or intervened in numerous proceedings before the
21 CDI related to the implementation and enforcement of Proposition 103’s reforms, including but not
22 limited to: (i) REB-5184, regarding State Farm’s rollback liability; (ii) RH-318 and IH-93-3-REB,
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24 ¹ A few examples include: *Calfarm Ins. Co. v. Deukmejian* (1989) 48 Cal. 3d 805; *20th Century Ins. Co.*
25 *v. Garamendi* (1994) 8 Cal.4th 216; *Amwest Surety Ins. Co. v. Wilson* (1995) 11 Cal.4th 1243;
26 *Proposition 103 Enforcement Project v. Quackenbush* (1998) 64 Cal.App.4th 1473; *Spanish Speaking*
27 *Citizens’ Foundation, et al. v. Low* (2000) 85 Cal.App.4th 1179; *Donabedian v. Mercury Insurance Co.*
28 (2004) 116 Cal.App.4th 968; *State Farm Mutual Automobile Ins. Co. v. Garamendi* (2004) 32 Cal.4th
1029; *Foundation for Taxpayer and Consumer Rights v. Garamendi* (2005) 132 Cal.App.4th 1354; and
Association of California Insurance Companies v. Poizner (2009) 180 Cal.App.4th 1029.

1 regarding regulations to implement Insurance Code section 1861.02's provisions on rating factors for
2 personal automobile insurance; (iii) RH-339 and RH-341, regarding procedural rules for rate hearings
3 and for intervention; (iv) PA-95-0057-00 regarding Safeco's Earthquake Rate Application;
4 (v) Consolidated hearing numbers PA-97-0077-00, PA-97-007800, and PA-97-007900, regarding State
5 Farm's, Allstate's and Farmers' automobile class plans respectively; (vi) PA-97-0072 regarding the
6 California Earthquake Authority's rate application; (vii) RH-346 regarding regulations governing
7 Advisory Organization Manuals; (viii) IH-97-0017-REB regarding prior approval regulations, and IH-
8 0017-TF, Prior Approval Task Force; (ix) IH-97-0018-REB; (x) PA-98-0099-00 regarding Allstate's
9 Private Passenger Automobile Insurance Rate Application; (xi) RH-402 (initiated by Consumer
10 Watchdog), regarding regulations clarifying the optional automobile rating factor of persistency and the
11 conflict of certain rating factors with Ins. Code § 1861.02(c); (xii) RH-01015532 regarding accident
12 verification regulations; (xiii) RH-01018834 regarding auto rating factors weighting methodologies;
13 (xiv) PA-02025379 regarding SCPIE's medical malpractice insurance rate application; (xv) RH-
14 03026431, RH-03026432, and RH-05042665, regarding Low Cost Automobile Insurance Rates and
15 Coverages; (xvi) PA-04036735 regarding the medical malpractice insurance rate application of The
16 Medical Protective Company; (xvii) PA04039736 regarding American Casualty's medical malpractice
17 rate application; (xviii) PA04041210 regarding Safeco's 2004 earthquake rate application; (xix)
18 PA05045074 regarding Medical Protective's 2005 medical malpractice insurance rate application; (xx)
19 NC03029253 regarding the rates, rating plans or rating systems of Farmers Insurance Exchange, et al.;
20 (xxi) PA06093080, PA06093079, PA06093078, and PA06092759, regarding the homeowners rates of
21 Safeco, Allstate, Fire Insurance Exchange, and State Farm; (xxii) PA-2006-00006 and PA-2007-00004,
22 regarding Allstate's 2006 homeowners' and private passenger automobile insurance rate applications;
23 (xxiii) PA-2007-00008 regarding GeoVera Insurance Company's earthquake rate application; (xxiv)
24 PA-2007-00013 regarding Explorer Insurance Company's private passenger automobile "Universal"
25 program; (xxv) PA-2007-00017 regarding Fireman's Fund's homeowner's rate application; (xxvi) PA-
26 2007-00019 regarding Fireman's Fund's earthquake rate application; (xxvii) PA-2008-00032 regarding
27 the rates, rules, and rating plans of Farmers Insurance Exchange, Mid-Century Insurance Company, and
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1 Truck Insurance Exchange; (xxviii) PA-2008-00037 regarding the automobile rate applications of
2 California Automobile Insurance Company, Mercury Casualty Company, and Mercury Insurance
3 Company; (xxix) PA-2008-00038 regarding Allstate’s “Your Choice Auto” program; (xxx) PA-2009-
4 00009 regarding Mercury’s homeowners’ insurance rate application; (xxxii) REG-2010-00018 regarding
5 regulations governing group insurance under Ins. Code § 1861.12; (xxxiii) PA-2010-00001 regarding the
6 homeowners’ insurance rate application of Safeco Insurance Company; (xxxiii) PA-2010-00002 and
7 PA-2010-00003 regarding the rate applications of Encompass Insurance Company; (xxxiv) PA-2010-
8 00008 regarding the homeowners’ insurance rate applications of Garrison Property and Casualty
9 Insurance Company, United Services Automobile Association, USAA Casualty Insurance Company,
10 and USAA General Indemnity Company; (xxxv) PA-2010-00010 regarding the homeowners’ insurance
11 rate application of Travelers’ Property Casualty Insurance Company; (xxxvi) REG-2010-00011
12 regarding regulations governing determination of fault by auto insurers; (xxxvii) PA-2010-00013
13 regarding the automobile rate application of GEICO General Insurance Company; (xxxviii) PA-2010-
14 00014 regarding the homeowners’ insurance rate application of California State Automobile Association
15 Inter-Insurance Bureau; (xxxix) PA-2011-00005 regarding the rate applications of American
16 Automobile Insurance Company, Associated Indemnity Corporation, Fireman's Fund Insurance
17 Company, National Surety Corporation, and The American Insurance Company; (xl) PA-2011-00006
18 regarding the medical malpractice rate application of The Doctors Company; (xli) PA-2011-00007
19 regarding the medical malpractice rate application of NORCAL Mutual Insurance Company; (xlii) PA-
20 2011-00008 regarding the medical malpractice rate application of The Medical Protective Company;
21 (xliii) PA-2011-00009 regarding the automobile rate application of Progressive West Insurance
22 Company; (xliv) OV-2011-00076 regarding proposed regulations governing the scope of prior approval
23 of insurance rates; (xlv) PA-2011-00011 and PA-2011-00013 regarding the automobile rate and class
24 plan filings of Allstate Insurance Company and affiliates; (xlvi) PA-2011-00014 regarding the
25 automobile rate filings of Infinity Insurance Company; (xlvii) PA-2011-00016 regarding the automobile
26 rate filings of Mercury Casualty Company and affiliates; (xlviii) PA-2011-000015 regarding the
27 earthquake rate filings of Chartis Property and Casualty; (xlix) PA-2011-00010 regarding State Farm
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1 General's homeowners rate application; (l) PA-2011-00017 regarding the new program filing of
2 Mercury affiliate California General Underwriters Insurance Co. Inc.; (li) PA-2012-00002 regarding the
3 earthquake rate filing of Federal Insurance Company and affiliates; (lii) PA-2012-00006 regarding the
4 automobile rate filing of State Farm Mutual Automobile Insurance Company; (liii) PA-2012-00010
5 regarding the automobile rate filing of Coast National Insurance Company; (liv) regarding the
6 automobile rate filing of Progressive West Insurance Company; (lv) PA-2012-00011 regarding the
7 automobile rate filing of Farmers Insurance Exchange and affiliates; (lvi) PA-2013-00002 regarding the
8 automobile rate filing of GEICO Indemnity Company; (lvii) PA-2013-00003 regarding the automobile
9 rate application of Allstate Insurance Company; (lviii) PA-2013-00004 regarding the homeowners rate
10 application of Mercury Casualty Company; (lix) PA-2013-00012 regarding the homeowners rate
11 application of State Farm General; and (lx) PA-2013-00010 regarding the homeowners rate application
12 of USSA and affiliated companies, among several others on file with the Department.

13 7. Consumer Watchdog's interventions in rate proceedings before the Department of
14 Insurance have resulted in over \$3 billion in premium savings for consumers over the last twelve years.
15 (see <http://www.consumerwatchdog.org/sites/default/files/images/RateSavingsChart-5-12-14.png>)

16 8. Effective July 24, 2012, the Insurance Commissioner last found Consumer Watchdog
17 eligible to seek compensation in departmental proceedings, pursuant to section 2662.2 of title 10 of the
18 California Code of Regulations ("10 CCR"). This determination succeeded prior determinations to the
19 same effect issued by the CDI on July 2, 2010, August 25, 2008, July 14, 2006, July 2, 2004, June 20,
20 2002, October 1, 1997, September 26, 1995, September 27, 1994, and September 13, 1993. The
21 Commissioner has awarded Consumer Watchdog compensation for its work in numerous prior
22 departmental proceedings.

23 DOCUMENTATION

24 8. Pursuant to 10 CCR § 2662.2(a)(2), Consumer Watchdog provides the following
25 information and/or documentation pertaining to its organizational structure to be used by the CDI for
26 the sole purpose of determining its eligibility to seek compensation in CDI proceedings:

27 A. **10 CCR § 2662.2(a)(2)(A):** Consumer Watchdog has previously submitted its Articles of
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1 Incorporation and two amendments thereto changing the organization's name. Consumer
2 Watchdog believes that these documents are in the files of the Public Advisor, but provides
3 them again for the convenience of the reviewer. (See Articles of Incorporation, amendment
4 changing name to Foundation for Taxpayer and Consumer Rights, and amendment changing
5 name to Consumer Watchdog, attached as Exhibit A.)

6 **B. 10 CCR § 2662.2(a)(2)(B):** Consumer Watchdog has no members within the meaning of
7 section 5056 of the California Nonprofit Corporation Law. (See Consumer Watchdog's
8 Bylaws, Article II, attached as Exhibit B.) Consumer Watchdog's e-mail subscriber list
9 contains approximately 332,000 individuals and organizations and its Facebook page has
10 more than 67,000 likes.

11 **C. 10 CCR § 2662.2(a)(2)(C):** Consumer Watchdog's current Board of Directors:

- 12 a. Jamie Court, Chair
- 13 b. Kathy Olsen, Secretary
- 14 c. Ellen Snortland, Director
- 15 d. Chic Wolk, Director
- 16 e. Suzy Marks, Director

17 Any correspondence to Board members may be sent to:

18 Consumer Watchdog
19 2701 Ocean Park Blvd., #112
20 Santa Monica, CA 90405

21 **D. 10 CCR § 2662.2(a)(2)(D):** Consumer Watchdog no longer issues a standard printed
22 newsletter. Instead Consumer Watchdog updates interested parties via its website
23 (<http://www.consumerwatchdog.org>), e-mail updates, weblogs and social media updates,
24 including on its Facebook page and on Twitter, and has an annual "Rage for Justice" awards
25 dinner attended by hundreds of its supporters. (see <http://www.consumerwatchdog.org/rage-justice-awards>)
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- E. **10 CCR § 2662.2(a)(2)(E)**: Attached as Exhibit C is a summary of some of the consumer protection activities and victories of Consumer Watchdog since the last finding of eligibility.
- F. **10 CCR § 2662.2(a)(2)(F)**: Consumer Watchdog has been granted non-profit status by the IRS under Internal Revenue Code § 501(c)(3). The letter from the IRS indicating as such is attached as Exhibit D.
- G. **10 CCR § 2662.2(a)(2)(G)**: Consumer Watchdog’s funding sources, listed by category and percentage of its budget for the past 24 months, along with a listing of grants received, is attached as Exhibit E. Note: no individual contributed at least 5% of CWD’s annual budget.²

WHEREFORE, Petitioner requests that the Insurance Commissioner find Consumer Watchdog eligible to seek compensation.

DATED: July 17, 2014

Respectfully submitted,

Harvey Rosenfield
Pamela Pressley
CONSUMER WATCHDOG

By: 
Pamela Pressley
Attorneys for CONSUMER WATCHDOG

² CWD does not waive any of its previous objections that its donor information is confidential and protected from disclosure. Disclosure of donor information is not necessary to determine eligibility to seek compensation, and CWD is obligated to keep the identity of its donors confidential pursuant to the First Amendment right of freedom of association of its donors. (See discussion of legal issues regarding disclosure of donor information in CWD’s Response to Public Advisor’s Request for Additional Information in Support of its Request for Finding of Eligibility to Seek Compensation, June 18, 2010 (on file with the Public Advisor’s office).)

EXHIBIT A

ARTICLES OF INCORPORATION
OF
THE NETWORK PROJECT

1349849

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

AUG 30 1985

BARBARA JENSEN, Secretary of State
Sharon K. Hawkins
Deputy

ARTICLE I

The name of this corporation is:

THE NETWORK PROJECT

ARTICLE II

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.

ARTICLE III

The public purposes for which this corporation is formed are:

A. Primarily, to conduct educational and research activities on consumer and public interest issues including, without limitation, issues affecting consumer protection and environmental and government reform; and to make said research available to the public; and

B. Generally, to exercise all rights and powers conferred on nonprofit corporations under the laws of California; provided, however, that this corporation shall engage only in those activities and exercise only those

powers that are in furtherance of (i) its primary purpose, and (ii) educational and charitable purposes within the meaning of Section 501(c)(3) and Section 170(c)(2) of the Internal Revenue Code of 1954, as amended.

ARTICLE IV

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE V

A. The property of this corporation is irrevocably dedicated to the purposes stated in Article III hereof, and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, trustee, officer or member thereof or to the benefit of any private person.

B. Upon the dissolution or winding-up of this corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for religious, charitable, scientific, literary

or educational purposes and has established and then holds tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended.

ARTICLE VI

The name and address in the State of California of this corporation's initial agent for service of process is:

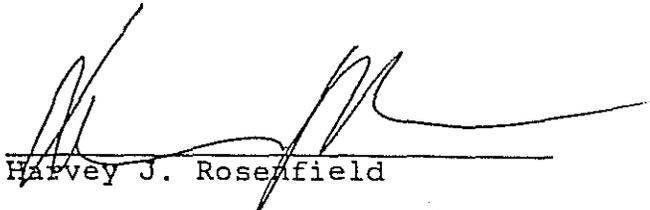
Harvey Jay Rosenfield
2019 Pontius Avenue
Los Angeles, California 90025

IN WITNESS WHEREOF, the undersigned, being the sole incorporator, has executed these Articles of Incorporation on August 8, 1985.



Harvey J. Rosenfield,
Incorporator

The undersigned declares that he is the person who has executed these Articles of Incorporation and hereby declares that this instrument is the act and deed of the undersigned.



Harvey J. Rosenfield

DGG485Y

0510644

JUN 30 1998

CERTIFICATE OF AMENDMENT
OF THE
ARTICLES OF INCORPORATION
OF
THE NETWORK PROJECT

Harvey Rosenfield and Ellen Snortland certify that:

1. They are the President and the Secretary, respectively, of The Network Project, a California nonprofit public benefit corporation.

2. Article I of the Articles of Incorporation of this corporation is hereby amended to read as follows:

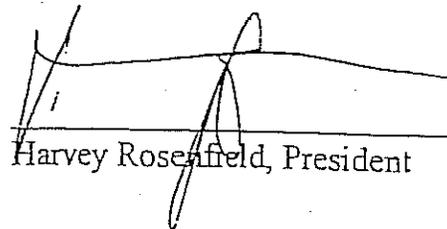
The name of this corporation is The Foundation for Taxpayer and Consumer Rights.

3. The foregoing amendment has been duly approved by this corporation's Board of Directors.

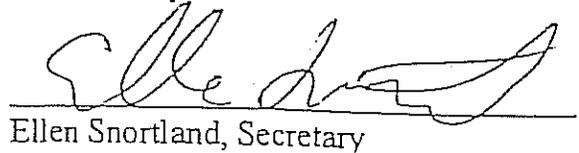
4. This corporation has no members.

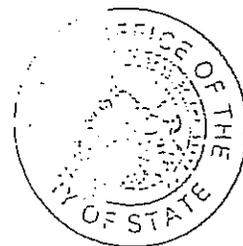
We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true of our own knowledge.

DATED: June 25, 1998


Harvey Rosenfield, President

DATED: June 22, 1998


Ellen Snortland, Secretary



ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JAN 18 2008

CERTIFICATE OF AMENDMENT
OF THE
ARTICLES OF INCORPORATION
OF
THE FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS

Jamie Court and Kathy Olsen certify that:

1. They are the President and the Secretary, respectively, of The Foundation for Taxpayer and Consumer Rights, a California nonprofit public benefit corporation.

2. Article I of the Articles of Incorporation of this corporation is hereby amended to read in its entirety as follows:

The name of this corporation is Consumer Watchdog.

3. The foregoing amendment has been duly approved by this corporation's Board of Directors.

4. This corporation has no members.

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

DATED: Jan 16, 2008

Jamie Court
Jamie Court, President

DATED: Jan 15, 2008

Kathy Olsen
Kathy Olsen, Secretary



EXHIBIT B

BYLAWS
OF
THE FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS
A California Nonprofit Public Benefit Corporation

ARTICLE I
NAME AND OFFICES

Section 1. Name. The name of this corporation is and shall be THE FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS (hereinafter, the "Corporation").

Section 2. Principal Office. The Corporation's principal office shall be fixed and located at such place as the Board of Directors (hereinafter, the "Board") shall determine. The Board is hereby granted full power and authority to change such principal office from one location to another.

Section 3. Other Offices. The Board may at any time establish branch or subordinate offices as deemed necessary for the transaction of the business of the Corporation.

ARTICLE II
MEMBERSHIP

Section 1. Members. The Corporation shall have no members within the meaning of section 5056 of the California Nonprofit Corporation Law. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the Directors.

Section 2. Honorary Members. Nothing in this Article II shall be construed as limiting the right of the Corporation's Board to elect honorary members of the Corporation, under such terms and conditions as the Board may see fit to provide, even though such a person shall not be deemed to be a "member" within the meaning of Section 5056 of the California Nonprofit Corporation Law and shall not have the rights of members set forth therein.

ARTICLE III
BOARD OF DIRECTORS

Section 1. General Powers. Subject to any limitations contained in the California Nonprofit Corporation Law, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, management company, or committee however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2 Number of Directors. The authorized number of Directors of the Corporation shall be not less than three (3) nor more than ten (10), with the exact number of authorized trustees to be fixed from time to time by resolution of the Board of Trustees.¹

Section 3. Election and Term of Office. All Directors shall be elected annually at the regular annual meeting of the Board, to hold office until expiration of the term for which elected and until a successor has been elected and qualified.

The term of office of each Director shall be three years.

Section 4. Resignation. Any Director may resign effective upon giving written notice to the Chairman of the Board, or to the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time to take office when the resignation becomes effective. No Director may resign where the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.

Section 5. Removal and Disqualification. (a) Any Director may be removed without cause, at any time, upon approval of a majority of the Directors then in office. Any Director may be removed for cause under the provisions of Section 5223 of the California Nonprofit Corporation Law.

(b) The Board may declare vacant the office of any Director who fails to attend three regular meetings of the Board.

Section 6. Vacancies. (a) A vacancy in the Board shall be deemed to exist (i) upon the death, resignation or removal of any Director; or (ii) upon an increase in the authorized number of Directors; or (iii) upon the declaration by Board resolution of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or found by a final order or judgment of any court to have breached any duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law.

No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of such Director's term of office.

(b) All vacancies shall be filled by a majority of the remaining Directors then in office, whether or not less than a quorum, or by a sole remaining Director. Each Director so elected shall hold office until the expiration of the term of the replaced Director and until a successor has been elected and qualified.

Section 7. Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For such purpose, interested person means either (1) any person currently being compensated by the Corporation for services rendered to it within the previous twelve months, whether as a full-or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or

¹ Amended by Board 5/99.

(2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this Section shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 8. Annual Meeting. An annual meeting of the Board shall be held without other notice than these Bylaws on the third Tuesday of April of each year, at the principal office of the Corporation, or at such other time and place as the Board may fix, for the purpose of electing Directors and officers and for the transaction of such other business as may come before the Board.

Section 9. Other Regular Meetings. Other regular meetings of the Board may be held without call or notice on such dates and at such times and places as may be fixed from time to time by the Board.

Section 10. Special Meetings. (a) Special meetings of the Board for any purpose or purposes may be called by or at the request of President, the Chairman of the Board, if any, or any two (2) Directors. Unless an alternate location is approved by the person(s) calling the special meeting, the place of said meeting shall be the principal office of the Corporation.

(b) Special meetings of the Board shall be held upon four days' notice by first-class mail or forty-eight hours' notice given personally or by telephone, telegraph, telex, or similar means of communication. Such notice shall state the time and place of the meeting (unless the place of the meeting is the principal office of the Corporation) but need not specify the purpose.

Any such notice shall be addressed or delivered to each Director at such Director's address as shown upon the records of the Corporation by the President for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place at which the meetings of the Directors are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

Section 11. Quorum. One-fifth of the number of Directors authorized in the Articles or Bylaws, but in no event less than two (2), whichever is larger, shall constitute a quorum of the Board for the transaction of business, except to adjourn as provided in Section 14 of this Article III. Every act or decision made or done by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law or by the Articles or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting or such greater number as is required by law or by the Articles or these Bylaws.

Section 12. Participation in Meetings by Conference Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this Section constitutes presence in person at such meeting.

Section 13. Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 14. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four hours. If the meeting is adjourned for more than twenty-four hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 15 Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

Section 16 Compensation. Directors shall not receive compensation for their services as members of the Board, but shall be reimbursed for their just and reasonable expenses, as may be fixed or determined by resolution of the Board. Subject to the provisions of Section 7 of this Article III, a Director may serve the Corporation in any other capacity as an officer, agent, employee or otherwise, and receive compensation therefor and reimbursement for expenses, in such amounts as may be fixed or determined by resolution of the Board.

Section 17. Committees. (a) The Board may, by resolution adopted by a majority of the number of Directors then in office, provided consisting of two or more Directors and no persons who are not Directors, to serve at the pleasure of the Board. Appointments to such committees shall be by a majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board or in these Bylaws, shall have all the authority of the Board, except that no committee may:

- (1) fill vacancies on the Board or on any committee which has the authority of the Board;
- (2) fix compensation of the Directors for serving on the Board or on any committee;
- (3) amend or repeal Bylaws or adopt new Bylaws;

(4) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

(5) create any committees of the Board or appoint the members thereof;

(6) expend corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or,

(7) approve any self-dealing transaction, as such transactions are defined in section 5233 (a) of the California Nonprofit Corporation Law, except as otherwise provided in section 5233(d)(3) thereof.

The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board of such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article III appropriate to meeting and actions of the Board. Minutes shall be kept of each meeting of each committee.

(b) The Board may, by resolution adopted by a majority of the number of Directors then in office, provided that a quorum is present, create one or more advisory committees whose members may, but need not, be Directors of the Corporation, to serve at the pleasure of the Board. Appointments to such committees shall by a majority vote of the Directors then in office. Such committees shall have such powers and functions as are delegated by the Board.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Corporation shall be a President, Executive Director, and a Secretary/Treasurer. The Corporation may also have, at the discretion of the Board, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretary/ Treasurers, and such other officers as may be elected or appointed in accordance with the provisions of Section 3 of this Article IV. Any number of offices may be held by the same person, except that the Secretary/Treasurer may not serve concurrently as the President or Chairman of the Board.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment. If the election of any officer shall not be held at such meeting, such shall be held as soon thereafter as conveniently possible. Each officer shall hold office until his or her resignation, removal, or other disqualification from service, or until his or her successor shall have been elected.

Section 3. Subordinate Officers. The President may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 4. Removal. Any officer may be removed by the Board, with or without cause, at any time, whenever in the Board's judgment the best interests of the Corporation would be served thereby.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Corporation, without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any resignation shall take effect at the date of receipt of such notice or at any later time specified therein and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled in the manner prescribed in these Bylaws for regular election to such office, provided that a vacancy shall be filled as it occurs and not on an annual basis.

Section 7. Duties of the President. Subject to such powers as may be given by the Board to the Chairman of the Board, if any, the President shall serve as the Corporation's president, general manager and chief executive officer and shall have, subject to control of the Board, general supervision, direction, and control of the business and officers of the Corporation. In the absence of the Chairman of the Board or if there be none, the President shall preside at all meetings of the Board and of the Corporation, and shall perform all duties of management usually vested in the office of president and general manager of a corporation and shall have such other powers and perform such other duties as from time to time may be prescribed by the Board, the law or these Bylaws.

Section 8. Duties of the Executive Director. The Executive Director shall act as the chief administrative officer of the Corporation. The Executive Director shall report directly to the President of the Corporation.

In the absence or in the event of the disability of the President, the Executive Director shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Executive Director shall have such other powers and perform such other duties as from time to time may be prescribed by the Board.

Section 9. (a) Duties of the Secretary/Treasurer. The Secretary/Treasurer shall keep or cause to be kept, at the principal office of the Corporation or at such other place as the Board may order, the minutes of all meetings of the Board and its committees. The minutes shall include the time and place that the meeting was held, whether regular or special, and if special, how authorized, the notice given, the names of those present, and the proceedings thereof. The Secretary/Treasurer shall keep, or cause to be kept, at the principal office of the Corporation in the State of California, the original or a copy of the Corporation's Articles and Bylaws, as amended to date. The Secretary/Treasurer shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by the law to be given, shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as from time to time may be prescribed by the Board.

(b) The Secretary/Treasurer shall also be the chief financial officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of the properties and business transactions of

the Corporation. The Secretary/Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, these Bylaws, or the Board. The Secretary/Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Secretary/Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the President and the Directors, whenever they request, an account of all transactions as Secretary/Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as from time to time may be prescribed by the Board, the law or these Bylaws. The Secretary/Treasurer shall annually cause the Corporation's books and accounts to be audited by an independent accountant selected by the Board and shall promptly present to the Board said accountant's report.

Section 10. Fees and Compensation. Officers may receive such compensation for their services and such reimbursement for expenses as may be fixed or determined by resolution of the President, except that the Board shall approve the compensation of those officers who also serve as members of the Board.

ARTICLE V

BOOKS AND RECORDS

Section 1. Maintenance of Corporate Records. The Corporation shall keep: (1) adequate and correct books and records of account; and (2) minutes in written form of the proceedings of the Board and committees of the Board.

All such records shall be kept at the Corporation's principal office.

Section 2. Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at its principal office in California the original or a copy of its Articles of Incorporation and Bylaws as amended to date.

Section 3. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

Section 4. Annual Report to Directors. The Board shall cause an annual report and a statement of transactions with interested persons and of indemnifications to be furnished annually to all Directors of the Corporation, containing the information required by Sections 6321 and 6322 of the California Nonprofit Corporation law.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

Section 1. (a) The Corporation shall have the power to indemnify its "agents", as defined in Section 5238 of the California Nonprofit Corporation Law, to the maximum extent permitted by law.

(b) The Corporation shall have the power to purchase and maintain insurance on behalf of any "agent" of the Corporation against any liability asserted against or

incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article; provided, however, that the Corporation shall not purchase or maintain such insurance to indemnify any agents of the Corporation for a violation of Section 5233 of the California Nonprofit Corporation Law.

ARTICLE VII

OTHER PROVISIONS

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents, of the Corporation 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. Unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 2. Checks, Drafts, Etc. All checks, drafts, or orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation, shall be signed or endorsed by such officer or officers, agent or agents, of the Corporation and in such manner as from time to time shall be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed or endorsed by the Secretary/Treasurer.

Section 3. Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Corporation.

Section 4. Parliamentary Authority. The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Corporation in all cases in which they are applicable and in which they are not inconsistent with these Bylaws, the Articles of the Incorporation or then existing law.

Section 5. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

ARTICLE VIII
AMENDMENTS

New Bylaws may be adopted, or these Bylaws may be amended or repealed, by the Board, subject to the following limitations:

(1) No amendment may extend the term of a Director beyond that for which such Director was elected.

(2) Where any provision in these Bylaws requires the vote of a larger proportion of, or all of, the Directors, than is otherwise required by law, such provision may not be altered, amended or repealed except by such greater vote.

CERTIFICATE OF SECRETARY/TREASURER

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting Secretary/Treasurer of THE FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS, a California Nonprofit Public Benefit Corporation; and,

(2) That the foregoing Bylaws constitute the Bylaws of said Corporation as duly adopted by action of the Board of Directors of said Corporation duly taken.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation as of the 21st day of December, 2001.


Secretary/Treasurer

EXHIBIT C

Consumer Watchdog Recent Highlights

- Saved drivers and homeowners more than \$500 million on their insurance premiums during the past year by stopping proposed rate hikes using Proposition 103's public participation system and legal challenges.
- Helped voters defeat Mercury Insurance-funded Proposition 33 in 2012 and prevented low-income drivers from being price gouged.
- Filed and settled a landmark lawsuit against Anthem Blue Cross to vindicate the rights of HIV/AIDS patients, enabling them to opt-out of the discriminatory program that would have required them to obtain their medications by mail order in violation of their privacy.
- Qualified the Insurance Rate Public Justification and Accountability Act for the November 2014 ballot, to require health insurance companies to publicly justify and get approval for rate increases before they take effect.
- Filed a class action lawsuit exposing Anthem Blue Cross for "bait-and-switch" marketing, on behalf of hundreds of thousands of consumers who purchased health insurance policies that advertised specific "annual" deductibles and other "yearly" out-of-pocket costs which were dramatically increased in the middle of the year.
- Launched a new "Toxics Watchdog" project to challenge inept regulation of soil, water and air pollution in California at the Department of Toxic Substances Control.
- Released *Golden Wasteland* -- a six-month investigative report into gross fiscal mismanagement, anemic fines and regulators' cozy relationships with the polluters they oversee. In just four months, it has led to the forced retirement of a top manager for financial conflicts of interest and mismanagement and has sparked state legislative and ethics investigations into the agency.
- Petitioned the Federal Trade Commission (FTC) to investigate Google when it was discovered they were violating their own advertised privacy policies and following Apple users' activities online. The petition led to a \$22.5 million fine by the FTC, the largest in FTC history.
- Challenged the EPA to audit car maker Hyundai over the false "40 Miles Per Gallon" claims on the window sticker of its Elantra. Filed two class action lawsuits on behalf of consumers who bought Hyundais under false pretenses. The EPA confirmed Consumer Watchdog's allegations, announcing the largest-ever recall of MPG window stickers.
- Campaigned for an overhaul of patient safety laws in California, including greater policing of dirty doctors, protections against overprescribing, and overturning the 38-year-old law that takes away the rights of patients injured by negligent doctors or hospitals to get justice.

EXHIBIT D

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: APR 25 2008

CONSUMER WATCHDOG
1750 OCEAN PARK BLVD - STE 200
SANTA MONICA CA 90405-4938

Person to Contact:
Vaida Singleton
ID# 31-03018
Toll Free Telephone Number:
877-829-5500
Employer Identification Number:
95-3993720

Dear Sir or Madam:

This is in response to the amendments to your organization's Articles of Incorporation filed with the state on January 18, 2008. We have updated our records to reflect the name change from THE FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS to **CONSUMER WATCHDOG**, as indicated above.

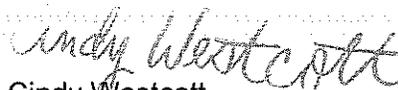
Our records indicate that a determination letter was issued in August 1988 that recognized you as exempt from Federal income tax. Our records further indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Cindy Westcott
Manager, Exempt Organizations
Determinations

EXHIBIT E

Exhibit E

Consumer Watchdog Sources of Funding

June 15, 2012 - June 14, 2014

1. Grants/Cy Pres Awards.....	43%
2. Individual Contributions.....	12%
3. Attorney/Intervenor Fees	44% ¹
4. Interest Income	1%

Foundation Grants June 15, 2012 - June 14, 2014

ARCA Foundation (2014) - \$50,000

Consumer Education Foundation (2012) - \$150,000

Consumer Education Foundation (2013) - \$200,000

Main Street American Values (2012) - \$45,000

Main Street American Values (2013) - \$170,000

Dr. Prem Reddy Family Foundation (2013) - \$100,000

Price Family Charitable Fund (2012) – \$10,000

Price Family Charitable Fund (2013) – \$10,000

Streisand Foundation (2012) - \$10,000

Streisand Foundation (2013) - \$10,000

Streisand Foundation (2014) - \$12,500

Telecommunications Consumer Education Fund (2012) - \$50,000

Tides Foundation (2012) - \$200,000

Tides Foundation (2013) - \$5,000

Tides Foundation (2014) - \$478,500

Corporate, Business, and Government Grants

None

¹ This percentage does not include amounts of fee awards received by Consumer Watchdog that were attributable to and paid to outside counsel and experts.