

1 Richard Holober  
2 Douglas Heller  
3 Advocates For:  
4 CONSUMER FEDERATION OF CALIFORNIA EDUCATION FOUNDATION  
5 1107 9th St. Suite 901  
6 Sacramento, CA 95814  
7 916-498-9608

8 BEFORE THE INSURANCE COMMISSIONER  
9 OF THE STATE OF CALIFORNIA

10 IN RE CONSUMER FEDERATION OF  
11 CALIFORNIA EDUCATION FOUNDATION  
12 REQUEST FOR GENERAL FINDING OF  
13 ELIGIBILITY TO SEEK COMPENSATION;  
14 EFFECTIVE FOR TWO YEARS

15 CONSUMER FEDERATION OF  
16 CALIFORNIA EDUCATION  
17 FOUNDATION REQUEST FOR FINDING  
18 OF ELIGIBILITY TO SEEK  
19 COMPENSATION PURSUANT TO  
20 CALIFORNIA INSURANCE CODE §  
21 1861.10 AND CALIFORNIA CODE OF  
22 REGULATIONS, TITLE 10 § 2662.2

23  
24 The Consumer Federation of California Education Foundation (CFCF) respectfully  
25 submits this verified, general<sup>1</sup> Request for Finding of Eligibility to Seek Compensation pursuant  
26 to California Insurance Code (Cal. Ins. Code) § 1861.10 and California Code of Regulations,  
27 Title 10 (Cal. Code Regs., Tit. 10) § 2662.2. If granted the general finding of eligibility is  
28 effective for two years from the date the general finding of eligibility is made. As demonstrated  
29 more fully below and as supported by the attached exhibits, CFCF represents the interests of  
30 consumers and specifically CFCF represents the interests of California insurance policyholders.

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<sup>1</sup> It is our understanding that while the regulation, Cal. Code Regs., Tit. 10 § 2662.2, requires this request for a finding of eligibility is to be filed in “conjunction with an ongoing proceeding,” the request itself is not “specific” to any particular proceeding. Therefore, herein we use the term “general” to mean a blanket ruling recognizing CFCF’s blanket or “general” eligibility to seek compensation as a representative of California insurance consumers in future matters before the Commissioner. Further, it is our understanding that, should the Commissioner make a general finding that CFCF is eligible to seek intervenor compensation, that finding will be valid in any proceeding in which CFCF seeks intervenor status within two years of the general finding of eligibility.



1 The Consumer Federation of California Education Foundation 's Articles of Incorporation set  
2 forth these central purposes, which are:

3 to research, analyze, educate and promote the interests of consumers, using  
4 peaceful, lawful methods to: (1) research and analyze any and all social, economic  
5 or political or scientific issues which actually effect consumers or may be of  
6 interest to consumers; (2) publish, educate and provide information to consumers.

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8 Policy direction implementing the CFCF's consumer representation, education and  
9 advocacy purposes is set by a Board of Directors consisting of the following officers: a  
10 President, two Vice Presidents, a Secretary, a Treasurer, and four additional members.

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12 To achieve its consumer advocacy goals, CFCF maintains full time staff in Sacramento  
13 and the San Francisco Bay Area, a consultant in Southern California and an economist in  
14 Vancouver, Canada to review and analyze rate applications and regulatory proceedings at the  
15 Department of Insurance, to monitor industry compliance with laws, regulations and approved  
16 rates, to file petitions to intervene in these rate cases and regulatory rule making cases, and  
17 applications to participate in cases where it believes a regulated company is not in compliance, to  
18 participate in hearings and perform the multitude of tasks necessary to effectively intervene in,  
19 represent consumers before and otherwise participate in proceedings of the California Public  
20 Utilities Commission, the California Department of Insurance and other agencies of government.

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22 **A. CFCF Represents the Interests of California Insurance Consumers in**  
23 **General and at the California Department of Insurance.**

24  
25 As the successor in interest to the Consumer Federation of California, CFCF and its  
26 predecessor organization CFC has advocated for insurance consumer interests, at the California  
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1 Department of Insurance (the CDI) for many years. Since 2006, CFC has participated in these  
2 regulatory proceedings before California Department of Insurance:

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

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

8 In 2006 CFC participated in California Department of Insurance ratemaking  
9 entitled: *Low Cost Automobile Insurance Rates*, CDI File No. RH 05050092;

10 In 2006 CFC participated in California Department of Insurance rulemaking  
11 entitled: *Title Insurance Rate Regulation*, CDI File No. RH0504799;

12 In 2008 CFC participated in California Department of Insurance rulemaking:  
13 *Usage Based Auto Insurance*, CDI File No. REG 2008-00020;

14 In 2012 CFC participated in California Department of Insurance rulemaking  
15 workshop entitled: *Scope of Prior Approval*, CDI File No. OV-2011-00076;

16 In 2012 CFC participated in California Department of Insurance rulemaking  
17 entitled: *Standards for Repairs and Use of Aftermarket Car Parts*, CDI File No.  
18 REG 2011 00024;

19 In 2014, CFC participated in California Department of Insurance *Public Hearing*  
20 *on Autonomous Vehicle Insurance Issues*; and

21 In 2015 CFC participated in California Department of Insurance Rulemaking  
22 Workshop entitled: *Sale of Insurance on a Group Basis Pursuant to Insurance*  
23 *Code 1861.12*.

24 **B. The Consumer Federation of California, CFCF's predecessor organization**  
25 **was Found Eligible to Seek Compensation in 2012, 2014 and 2016 and Has**  
26 **Been Granted Intervenor Status in fourteen Proposition 103 Rate**  
27 **Proceedings at the California Department of Insurance**

28 On April 20, 2012, pursuant to its request, Consumer Federation of California was found  
29 to be generally eligible to seek compensation by the Insurance Commissioner in accordance with  
30 Cal. Code Regs., Tit, 10, Section 2662.2. On or about May 1, 2014 and May 1, 2016 the

1 Insurance Commissioner renewed Consumer Federation of California’s status as generally  
2 eligible to seek compensation. In addition to involvement in the matters listed in section 1. A.  
3 above, CFC has intervened in several rate proceedings, including:

- 4 1. Farmers Insurance Exchange: PA 2013-00011 (2013-2014)
- 5 2. State Farm General Insurance Company: PA 2013-00012 (2013-2014)
- 6 3. AIG Property and Casualty: PA 2013-00013 (2013-2014)
- 7 4. Infinity Insurance Company: PA-2014-00002, (2014)
- 8 5. Hartford Underwriters Insurance Company: PA-2014-00011 (2014 – 2015)
- 9 6. California Capital Insurance Company: PA-2015-0002 (2014-2016)
- 10 7. Safeco Insurance Company of America: PA-2015-00007 (2015-2016)
- 11 8. Wawanesa General Insurance Company: PA-2015-0007 (2015-2016)
- 12 9. State Farm General Insurance Company: PA 2015-00004 (2015-2016)
- 13 10. Viking Insurance Company of Wisconsin: PA 2016-00013 (2016-2017)
- 14 11. Loya Casualty Insurance Company: PA 2016-00010 (2016 – present)
- 15 12. National General Insurance Company: PA 2017-00011 (2017-2018)
- 16 13. Kemper Independence Insurance Company: PA 2017-00002 (2017-2018)
- 17 14. Hartford Insurance Company: PA 2017-00014 (2017-present)

18 Of the above Proceedings all but items 11 and 13 have concluded (except that item 9 is  
19 currently the subject of judicial review). The Department of Insurance has awarded Consumer  
20 Federation of California intervenor compensation for its substantial contribution to each of these  
21 the proceedings, except for item 12, for which Consumer Federation of California’s request for  
22 intervenor compensation is pending at the CDI. Items 11 and 13, above, are current proceedings.  
23 In the completed proceedings, Consumer Federation of California saved California ratepayers  
24 hundreds of millions of dollars in reductions to rates requested by insurers. Consumer Federation  
25 of California’s interventions have also made other substantial contributions to proceedings,  
26 including ensuring compliance with state law and regulations prohibiting unfair discrimination as  
27 well as other Department rate filing requirements.

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2 **C. Consumer Federation of California Petitioned the Department of Insurance**  
3 **for a Finding of Non-Compliance By an Automobile Insurer, Resulting in a**  
4 **Settlement That Ended Automobile Insurance Rate Quoting Practices the**  
5 **Consumer Federation of California Alleged Violated Proposition 103 and**  
6 **California Civil Rights Law.**

7 In 2015, Consumer Federation of California researched GEICO's online automobile rate  
8 quoting practices, concluded that these practices violated Proposition 103 and the Unruh Civil  
9 Rights Act, and petitioned the Department of Insurance to find that the insurer was in non-  
10 compliance with state law. The Department of Insurance granted Consumer Federation of  
11 California's petition to intervene. CDI initiated a conciliation process that resulted in an  
12 agreement of the parties that the CDI approved. Under the terms of the settlement, GEICO paid  
13 the State of California six million dollars, agreed to change the programming of its online rate  
14 quote system to eliminate misstatements regarding the minimum coverages available to certain  
15 good drivers, and agreed to submit to auditing of its online quote system for a period of three  
16 years. The CDI approved Consumer Federation of California's request for intervenor  
17 compensation in this enforcement matter.

18 **D. Consumer Federation of California Education Foundation Represents the**  
19 **Interests of Consumers in Other Regulatory Proceedings**

20 Consumer Federation of California Education Foundation also represents the interests of  
21 consumers in other regulatory proceedings, as the successor in interest to the Consumer  
22 Federation of California. For the past twelve years, California Public Utilities Commission had  
23 approved Consumer Federation of California as an eligible intervenor representing the interests  
24 of residential ratepayers in over two dozen concluded ratemaking and regulatory proceedings. In  
25 most of these proceedings the CPUC has awarded the Consumer Federation of California  
26 intervenor compensation for making a substantial contribution, and five intervenor compensation  
27 requests are pending at the CPUC. These proceedings addressed a wide array of issues of  
28 concern to consumers, including a PG&E general rate case; reconfiguration of payments for gas

1 utilities public purpose program surcharges; transfer of assets of the state’s largest petroleum  
2 pipeline utility; development of rules for limited English-speaking telecommunications  
3 consumers; water conservation pricing for investor-owned water utilities; establishment of  
4 consumer privacy protections as an element of the deployment of the smart grid for electricity;  
5 development of rules for pricing and infrastructure for electric vehicle charging systems, energy  
6 storage, clean energy, and telephone service quality. Pursuant to the CPUC’s approval of the  
7 Consumer Federation of California Education Foundation as the successor to the Consumer  
8 Federation of California, CFCF is currently intervening in the following seven proceedings  
9 before the CPUC:

10 **A. 17-12-011, 012, 013:** Electric Rate Design Window

11 **A. 16-09-001:** Southern California Edison General Rate Case

12 **R. 17-06-024:** Water Assistance Programs

13 **A. 17-10-007, 008:** Sempra General Rate Case

14 **R. 12-06-013:** Electric Time of Use

15 **R. 13-11-007:** Zero Emission Vehicles.

16 **R. 14-10-003:** Electric Consumption Demand Side

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19 Consumer Federation of California Education Foundation and TURN (The Utility Reform  
20 Network) have also filed a joint petition seeking that CPUC open a proceeding into mobile  
21 telephone consumer privacy regulation (Case P. 18-03-014)

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23 **E. Consumer Federation of California Education Foundation’s Staff and**  
24 **Consultants Have and Will Continue to Represent the Interests of California**  
25 **Insurance Consumers**

26 CFCF’s participation in CDI proceedings includes these staff and consultants:  
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1 In other advocacy before the Department of Insurance, in 2008, Mr. Holober provided  
2 testimony regarding the privacy implications of regulations sought by the insurance industry that  
3 would have mandated installation of mileage recording and transmitting devices for determining  
4 motor vehicle renewal rates for policyholders.

5 Mr. Holober also takes an active role in prior approval rate cases recently and currently at  
6 issue at the CDI.

7 **James Gordon**

8 In addition, since 2005, CFCF President James Gordon, in his capacity as President of the  
9 Consumer Federation of California has served on the California Automobile Assigned Risk Plan  
10 (CAARP) Advisory Board representing consumers as an appointee of the Insurance  
11 Commissioner. The CAARP plan was created to provide an alternative source of automobile  
12 insurance for motorists unable to obtain coverage in the private sector due to their driving  
13 records or other extraordinary circumstances. The CAARP Board also oversees the California  
14 Low Cost Automobile Insurance Program, which is designed to provide affordable liability  
15 insurance to low-income drivers. Through Mr. Gordon, CFCF advocates for insurance  
16 consumers in terms of overseeing the implementation of CAARP rules and regulations. Likewise  
17 Mr. Gordon advocates for low-income insurance consumers by monitoring and promoting the  
18 California Low Cost Automobile Insurance Program.

19 **Douglas Heller**

20 Douglas Heller is a consumer advocate and insurance expert retained by CFCF to assist  
21 in its regulatory interventions. Mr. Heller is a nationally-recognized consumer advocate with  
22 extensive expertise in insurance regulatory matters. Mr. Heller has more than fifteen years of  
23 experience as a consumer advocate focusing on property-casualty insurance rates and policies.  
24 Since 1999, Mr. Heller has participated and / or intervened in numerous rulemaking and  
25 ratemaking proceedings before the Department of Insurance, having a particular focus on matters  
26 related to, or governed by, Proposition 103.  
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1           Between 1997 and 2013, Mr. Heller worked in various capacities for the nonpartisan,  
2 nonprofit organization Consumer Watchdog, including serving as its Executive Director from  
3 2004 until 2012. Mr. Heller was the lead insurance advocate during most of the 16 years he spent  
4 with the organization. Examples of Mr. Heller’s ratemaking, rulemaking and other insurance  
5 advocacy include:

- 6           • *In the Matter of the Rate Application of Viking Insurance Company of Wisconsin*,  
7 file number PA 2016-00013;
- 8           • *In the Matter of the Rate Application of Loya Casualty Insurance Company*, file  
9 number PA 2016-00010;
- 10           • *In the Matter of the Rate Application of State Farm General Insurance Company*,  
11 file number PA 2015-00004;
- 12           • *In the Matter of the Rate Applications of Safeco Insurance Company of America,*  
13 *First National Insurance Company of America, American States Preferred*  
14 *Insurance Company*, file number PA 2015-00007;
- 15           • *In the Matter of the Rate Applications of Hartford Underwriters Insurance*  
16 *Company and Trumbull Insurance Company*;
- 17           • *In The Matter Of The Rate And Rating Plan Application Of AIG Property*  
18 *Casualty Company*, file number PA-2013-00013;
- 19           • *In the Matter of the Rate Application of Progressive West Insurance Company*,  
20 file number IP-2012-00011;
- 21           • *In re proposed amendments to Subchapter 4.9, Title 10 of the California Code of*  
22 *Regulations, Chapter 5, Subchapter 4.7, Section 2632.5 (Pay as you Drive, Usage*  
23 *Based Auto Insurance Regulations)*, file number IP-2008-00043; and
- 24           • *In re RH 03 02 6431 and RH 03 02 6432, Low Cost Automobile Insurance Rates*,  
25 file number IC 03 03 3218.

26           In addition to the above listed matters in which he served as an advocate and / or expert,  
27 Mr. Heller is a “Consumer Representative,” appointed by the Insurance Commissioner, to sit on  
28 the California Automobile Assigned Risk Plan Advisory Board. Mr. Heller was a featured  
29 speaker at a May 16, 2013 symposium regarding the regulation of California’s insurance industry  
30 presented for MCLE credit by The Insurance Law Committee of the California State Bar. He is  
the coauthor of the 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.



1 several auto insurance proceedings, including: Insurance Corporation of British Columbia  
2 (ICBC) Rate Design Proceeding (2007), ICBC Revenue Requirements Proceeding (2007), and  
3 ICBC Application for Changes to the Universal Compulsory Automobile Insurance for Fleet  
4 plan Vehicles (2010), in which he served as the Commission's lead staff in the proceeding. For  
5 the following six years, Mr. Roberts served as a consultant to the British Columbia Public  
6 Interest Advocacy Center. In that capacity he consulted for the BC Old Age Pensioners'  
7 Associations to support their interventions in auto insurance proceedings, including ICBC  
8 Revenue Requirements Proceeding (2012), ICBC Revenue Requirements Proceeding (2013), and  
9 ICBC Revenue Requirements Proceeding (2014). Mr. Roberts is a member of the Association of  
10 Professional Economists of British Columbia, and the Chartered Institute of Logistics and  
11 Transportation. Mr. Roberts has served the Consumer Federation of California, and currently for  
12 the Consumer Federation of California Education Foundation as successor in interest to the  
13 Consumer Federation of California, as an expert in Department of Insurance and California  
14 Public Utilities Commission proceedings since 2015. His participation on behalf of the  
15 Consumer Federation of California includes: Loya Casualty CDI Case No. PA-2016-00010 and  
16 Viking Insurance Company of Wisconsin, CDI Case No. PA-2016-00011.

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18 **F. CFCF Advises Consumer Advocates on the Interests of Consumers, and**  
19 **Specifically Insurance Consumers in the Legislature**

20 To achieve its consumer advocacy goals, CFCF monitors pending legislation  
21 impacting California insurance consumers. CFCF does not lobby at the legislature. Its sponsoring  
22 organization, the Consumer Federation of California, which is a not-for profit 501(c)4  
23 organization consults with the CFCF's staff of insurance experts in developing positions on  
24 insurance legislation. CFCF also has and will continue to perform consumer education and voter  
25 outreach as those activities pertain to the initiative process and California insurance consumers.  
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1           **II.     Attached Exhibits**

2           Attached please find the following exhibits, each of which is incorporated herein by this  
3 reference:

4           Exhibit A: A copy of Consumer Federation of California Education Foundation 's  
5 articles of incorporation and by-laws (Cal. Code Regs., Tit. 10. §  
6 2662.2(a)(2)(A));

7           Exhibit B: Approximate number of current of members (Cal. Code Regs., Tit. 10  
8 § 2662.2(a)(2)(B));

9           Exhibit C: A list of CFCF's current Board of Directors -- including the name and  
10 business address of each director and/or the name and business address of the  
11 principals of the group if it is not a corporation (Cal. Code Regs., Tit. 10 §  
12 2662.2(a)(2)(C));

13           Exhibit D: Newsletter circulation, if any, along with a representative sample of  
14 newsletters and/or any other publications issued by the intervenor in California  
15 during the previous twelve (12) months (Cal. Code Regs., Tit. 10 §  
16 2662.2(a)(2)(D));

17           Exhibit E: Any annual or year-end report for the prior year (Cal. Code Regs., Tit.  
18 10 § 2662.2(a)(2)(E));

19           Exhibit F: Statement as to whether or not the group has been granted non-profit  
20 status under Internal Revenue Code Section 501(c) (Cal. Code Regs., Tit. 10 §  
21 2662(a)(2)(F));

22           Exhibit G: A listing, by general category, of the Consumer Federation of  
23 California Education Foundation 's funding sources for the prior twenty-four (24)  
24 months and the approximate total percentage of Consumer Federation of  
25 California Education Foundation 's annual budget from each funding category.  
26 Each foundation, corporate, business, or government grant shall be separately  
27 listed by name of foundation, corporation, business, or government agency and  
28 amount of grant. For each individual who contributed at least five percent of the  
29 group's annual budget, the name of the individual and the total amount of the  
30 annual contribution shall be separately listed (Cal. Code Regs., Tit. 10 §  
2662.2(a)(2)(G));

Exhibit H: list of organizational members; and

Exhibit I: List of highlighted 2012-2013 legislation.

1                   **III.     CFCF Respectfully Asks That the Insurance Commissioner Determine**  
2   **That CFCF is Eligible to Seek Compensation**

3                   The Consumer Federation of California Education Foundation is committed to continuing  
4 its representation and advocacy on behalf of California insurance consumers and therefore seeks  
5 re-approval of its request for a finding of intervenor eligibility. If the request is granted, CFCF  
6 intends to continue to participate in rulemaking matters, ratemaking matters, and other  
7 proceedings before the California Department of Insurance and the Insurance Commissioner in  
8 pursuit of consumer protection and in keeping with the public interest.

9                   CFCF believes it has complied with all the requirements of Cal. Code Regs., Tit. 10. §  
10 2662.2 and asks that the Public Advisor determine that CFCF has complied with those  
11 requirements and that this filing is complete.

12                  Additionally, CFCF respectfully requests that based on the information set forth above,  
13 that the Insurance Commissioner determine that CFCF represents the interests of consumers and  
14 grant its request for a finding of eligibility to seek compensation of its reasonable advocacy and  
15 witness fees and expenses.

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18 Dated: June 22, 2018

Respectfully submitted,

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20 **RICHARD HOLUBEK**  
21 Executive Director  
22 THE CONSUMER FEDERATION OF  
23 CALIFORNIA EDUCATION FOUNDATION  
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**VERIFICATION**

I am the Executive Director of the Consumer Federation of California Education Foundation, and I am authorized to make this verification on its behalf. I verify that where the information contained in these documents, that is based upon my first-hand knowledge, is true and correct. To the extent the information is not based upon my first-hand knowledge, the truth of the matters as set forth are based upon information and belief, are of a type easily determined to be true and correct and I believe the information to be true and correct.

Please be advised that the Consumer Federation of California Education Foundation has been granted non-profit status under Internal Revenue Code Section 501(c) (Cal. Code Regs., Tit. 10 § 2662(a)(2)(F)).

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

Dated: June 22, 2018

Respectfully submitted,



**RICHARD HULUBEK**  
Executive Director  
THE CONSUMER FEDERATION OF  
CALIFORNIA EDUCATION FOUNDATION

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**Exhibit A**

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

See following pages



**Articles of Incorporation  
of the  
Consumer Federation of California Education Foundation**

- I. The name of this corporation is Consumer Federation of California Education Foundation
- 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 and charitable purposes.
- III. The specific purpose of this corporation is to research, analyze, educate and promote the interests of consumers, using peaceful, lawful methods to: (1) research and analyze any and all social, economic or political or scientific issues which actually effect consumers or may be of interest to consumers; (2) publish, educate and provide information to consumers.
- IV. The name and address in the state of California of this corporation's initial agent for service of process is: Howard L. Owens, 1151 Oak Hall Way Sacramento, CA 95822-3209
- V. This corporation is organized and operated exclusively for the promotion or social welfare purposes within the meaning of IRC Section 501(c) (3).
- VI. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.
- VII. 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.
- VIII. 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) (3).

June 29, 2006

Date

\_\_\_\_\_  
James B. Gordon, Jr., President

\_\_\_\_\_  
Lucinda Sikes, Secretary

CONSUMER FEDERATION OF CALIFORNIA  
FOUNDATION  
BY-LAWS

As amended February 22, 2018

SECTION 1

Name

The name of the Consumer Federation of California Education Foundation shall be changed to be: Consumer Federation of California Foundation. The Consumer Foundation of California may utilize trade names as permitted by law.

SECTION 2

Objectives

To create an education and research organization, to promote educational programs and public forums in the field of consumer rights and other policy issues that may be of interest to consumers in order to improve the quality of life of all people.

To represent consumers and the interests of consumers, including working people, families, retirees, children, utility ratepayers, insurance policyholders and others, for the purpose of participating in administrative, commission proceedings, regulatory proceedings, legislative advocacy, public awareness and advocacy campaigns, and litigation within the maximum legal limits allowed of a 501 (c)(3) tax-exempt corporation under Federal and California law.

To remain incorporated as a non-profit corporation under the laws for the State of California and the Internal Revenue Service under Code 501 (c)(3).

SECTION 3

Administration

The affairs of the organization shall be administered by a Board of Directors consisting of the following officers of the Consumer Federation of California Education Foundation: a President, two Vice Presidents, the Secretary, the Treasurer, and four additional members who shall comprise the Board of Directors.

## SECTION 4

### Officers

The Officers of the organization shall consist of a President, two Vice-Presidents, a Secretary, a Treasurer and such additional Officers as shall be appointed or elected by the Board of Directors.

## SECTION 5

### President

- A. The President's duties shall be:
1. To preside over all meetings of the Board of Directors
  2. To preside over the daily operations of the CFC Foundation subject to the limits as delegated to such officers as authorized by the Board.
  3. To have such other powers and to perform such other duties as may be required, from time to time, by the Board of Directors.
  4. To appoint such Committee or Committees as may be approved by the Board of Directors, from time to time and to define the duties of such Committees.
  5. To appoint officers and employees with the consent of the Board.
- B. The President shall be elected from, and be a member of the Board of Directors.

## SECTION 6

### Vice Presidents

The Vice Presidents shall, in order of their seniority, in the absence of the President, perform all of the duties and have all of the powers of the President. They also shall have such other powers and perform such other duties as shall be assigned to them by the Board of Directors. Each Vice President shall be elected from, and be a member of, the Board of Directors.

## SECTION 7

### Secretary

- A. The duties of the Secretary shall be:

1. To keep a record of the proceedings of the Board of Directors.
  2. To serve all notices required by law or by the Bylaws of the organization.
- B. The Secretary may be any person except the President. The Secretary shall be a member of the Board of Directors.

## SECTION 8

### Treasurer

- A. The Treasurer's duties shall be as implied by the name: to furnish, prepare and keep a full set of books of account, showing every detail of the business and organization's accounts and all receipts and disbursements of every name and nature, the amount of cash on hand, and the amount of money owed by the organization or owing to it, and such other information as by be pertinent in the judgment of said officer, or such as may be required by the Board of Directors.

## SECTION 9

### Directors

- A. General Powers of Directors: The Board of Directors shall have the management of the business of the organization, and, subject to the restriction imposed by law, Articles of Incorporation, or these By-laws, shall exercise all of the powers of the organization.
- B. Specific Powers of Directors: Without prejudice to such general powers, it is hereby expressly declared that the Directors shall have the following powers:
1. To fill vacancies on the Board caused by death, disability or resignation.
  2. To make and change regulation, Articles and By-laws, for the management of the organization's affairs.
  3. To approve recommendations of the President to appoint and remove, at its pleasure, all officers, agents and employees of the organization, prescribe their duties, and in their discretion, from time to time, to devolve the powers and duties of any officer upon any other person. The Board may hire an employee to direct the day-to-day operations of the

Foundation, and delegate to this employee the supervision, hiring and setting of compensation of other Foundation employees. Any employee designated to direct the day-to-day operations of the Foundation shall report to the President, and through the President, to the Board.

4. To pay for any property purchased by the organization, either wholly or partly in money, bonds, debentures or other securities of the organization.
  5. To borrow money and to make and issue notes, bonds, and other negotiable and transferable instruments, mortgages, deeds of trust, trust agreements and to do every act and thing necessary to effectuate the same.
  6. To designate, from time to time, the time and place of its meetings or to authorize the President to do so. To appoint Committee or Committees on any subject within the scope of the organization's objectives and to define the powers and duties of such Committees. To authorize the President or Officer to appoint an employee or employees with such duties and compensation as authorized by the Board.
  7. To select and designate such bank or trust company as they may deem advisable, as official depository of the funds of the organization and to prescribe and order the manner in which such deposits shall be made and/or withdrawn.
- C. Compensation of Directors: Directors shall not receive any stated salary for their service as Board members. Nothing herein shall be construed to preclude any Director from serving the organization in any other capacity and receiving reasonable compensation thereof.

## SECTION 10

### Directors' Meetings

- A. Regular Meetings: Regular meetings of the Board of Directors shall be at the time and place specified by the Board.
- B. Who May Call Special Directors' Meetings: special meetings of the Board may be called by the President or any three Directors of this organization.
- C. Special Meetings: Special meetings of the Board of Directors shall be held upon one week's notice by first-class mail or by telephone or telegraph to each Director. Said notice shall specify the purpose of the meeting.

- D. Adjournment: A majority of the Directors present, whether or not a quorum is present, may recess any meeting to another time and place. If the meeting is recessed for more than 24 hours, notice of such recess shall be given prior to the time of the recessed meeting to those Directors who were not present at the time of the recess.
- E. Place of Meeting: Meetings of the Board may be held at any place within or without the state, providing timely notice has been sent.
- F. Meetings by 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 correspond with one another. Participation in a meeting pursuant to this paragraph constitutes presence in person at such meeting.
- G. Quorum: A quorum of the Board for the transaction of business shall consist of one-third or more of the elected Directors. Subject to applicable law, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board. 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, Articles of Incorporation or these By-laws.

## SECTION 11

### Committees

- A. The President may appoint committees to investigate and review matters pertaining to the organization and advise the Board as to their findings. Such committees shall have no authority to obligate or bind the organization unless authorized to do so by the Board of Directors.
- B. The Board of Directors may appoint standing committees, outlining their duties and defining their authority to act in the matter to which they are assigned. All appointments of committees, their assignment and scope of authority must be recorded.

## SECTION 12

## Offices

- A. Principal Office: The principal office shall be established and maintained in a California location, as designated by the Board of Directors.
- B. Other offices: Other offices of the organization may be established as such places as the Board of Directors may, from time to time, designate or the business of the organization may require.

## SECTION 13

### Checks, Drafts, Notes

All checks, drafts or other orders exceeding ten thousand dollars (\$10,000) for the payment of money, notes or other evidence of indebtedness) issued in the name of the organization for all debts of the organization shall be signed by two out of three officers/directors as shall, from time to time, be determined by the Board of Directors. Checks or payments not exceeding ten thousand dollars (\$10,000.00) for budgeted items, or for expenses incurred pursuant to a contract, grant, or resource sharing agreement may be signed with a single authorized signatory and in such manner as shall from time to time be determined by resolution of the Board. The Board of Directors shall be responsible for seeing to it that those who are responsible for signing checks for this organization shall be bonded at such time it is financially reasonable or when assets exceed \$10,000.

## SECTION 14

### Action by Directors without 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 consenting 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 be of the same force and affects the unanimous vote of such Directors.

## SECTION 15

### Fiscal Year

The fiscal year of this organization shall be the same as the calendar year, ending on December 31.

SECTION 16

Members

There shall be no members of this organization.



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**Exhibit B**

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

The CFCF does not have any members.

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**Exhibit C**

A list of CFCF’s current Board of Directors, including the name and business address of each director and/or the name and business address of the principals of the group if it is not a corporation (Cal. Code Reg. § 2662.2(a)(2)(C)).

Board of Directors

- James Gordon Jr., President
- Barry Broad, Treasurer
- Lucinda Sikes, Secretary
- Brian Kabateck, Vice President
- Richard Holober
- Mark Schacht, Vice President
- Willie Pelote
- Pauline Brooks
- One vacant Board seat

The mailing address for the individuals listed above is:  
Consumer Federation of California Education Foundation  
1107 9th Street, Suite 901  
Sacramento, CA 95814

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**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 CFCF does not publish a newsletter.

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**Exhibit E**

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

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

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**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)).

As set forth in the verification, above, CFCF has been granted non-profit status under Internal Revenue Code Section 501(c) 3 (Cal. Code Reg. § 2662(a)(2)(F)).

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**Exhibit G**

Exhibit G: A listing, by general category, of the Consumer Federation of California Education Foundation 's funding sources for the prior twenty-four (24) months and the approximate total percentage of Consumer Federation of California Education Foundation '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));

Sources of Income and percentage of budget for 24 months from May 2016 through April 2018

Cy Pres Awards	42%
Grants	10%
Service Fees	48%

Names of funding sources:

Strategic Claims Services (Brown v. US Money Reserve cy pres award)	\$42,365.68
Consumer Federation of California (Service Fees)	\$29,361.06
Meltz Communications (Service fees)	\$20,000.00
Consumer Attorneys Public Interest Fund	\$10,000.00

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