

20
17

ANNUAL MEETING

National Association of Consumer Advocates

Friday, November 17 | Washington, DC

AGENDA

Welcome

Leslie Bailey and Stacy Bardo, *Co-Chairs*

Management and Financial Report

Stacy Bardo, *Co-Chair*
Brian Bromberg, *Treasurer*

Board Elections

Leslie Bailey, *Co-Chair*

Presentation of Awards

Ira Rheingold, *Executive Director*

Open Discussion

- 1 Letter from the Executive Director
- 3 Report to Members
- 4 Audited Statement of Activities
- 2 A Round of Applause

Contents



Letter from the Executive Director

Dear Colleagues:

What a difference a year makes. Twelve months ago I was speaking to you with great optimism about both the possible end of the Chicago Cubs' long World Series drought and the termination of the financial services industry's imposition of forced arbitration clauses on our nation's consumers. Well, I guess you can't win them all, and while the Cubs overcame 108 years of futility, it looks like our collective twenty plus year fight to end the scourge of forced arbitration will continue (but hopefully for far less than the next century).

There's no way to whitewash the political events of the last year or the last month. More than seven years after the passage of Dodd-Frank, after a 700+ page CFPB study on the impact of forced arbitration, after a carefully conceived and painstakingly slow regulatory process that ultimately led to the creation of a rule that prohibited the use of forced arbitration clauses to keep consumers from collectively joining together against financial service corporations, Congress voted (with the vice

president breaking the tie in the Senate) to reject this rule we all had all worked so hard to achieve.

So, after that bitter defeat, what's next for us? Actually, there's a lot we can and will do. Our fight to preserve the CFPB's rule built much greater awareness and public support for our campaign, and we must continue to take advantage of that. While it's unlikely that we can pass significant anti-arbitration legislation under this administration or with this Congress, I truly believe that in the not-too-distant future, we will all be celebrating the passage of the Arbitration Fairness Act—a law that will end the use of forced arbitration in employment, consumer, antitrust, and civil rights disputes.

Between now and that great day, we will continue to fight for the rights of our members and for all their consumer clients. If and when there's an effort to weaken the FDCA or the TCPA,

continued on page 2

continued from page 1

we will be there. If and when there's an effort to undo the great work we all did in protecting consumers from predatory lending, we will be there. If and when legal aid organizations are threatened, we will be there. And when there's an effort to build a better and stronger Fair Credit Reporting system, we will be there with you and for you.

Of course, there is much more to NACA than our advocacy work. As your organization, an association created to meet the needs of attorneys who have chosen the sometimes lonely and difficult path of pursuing justice for consumers, we are dedicated to helping you succeed in every way possible. At the NACA board retreat this past spring, we spent most of our time planning how we can best serve consumer attorneys. Hopefully in the coming weeks and months, you will begin to see the fruits of those plans.

Soon you will see expanded webinar programs that will focus on helping attorneys succeed in specific practice areas as well as the introduction of our first eCourse (on debt defense) with several more courses planned for 2018. We will continue to refine our conferences and trainings to have an even more

dedicated focus on your success as a consumer attorney, and we will look to build our state and national communities and listservs to provide you with greater access to your peers and to all the practical legal information and assistance you're looking for.

While this year has been a challenge for many of us, your work as consumer advocates and as consumer attorneys is needed more than ever before. And I promise you that NACA, your organization, will be standing by your side every step of the way. We've got a tough road ahead, but I am certain that because we are right and our cause is righteous, we won't have to wait another 108 years before we live in a world where consumer justice is a reality for everyone.

Until we talk again.



Ira Rheingold
Executive Director

A Round of Applause

2017 AWARD WINNERS

Excellence in Consumer Journalism
Michael Pope, *Virginia Public Radio*

Consumer Attorney of the Year
Leonard Bennett, *Consumer Litigation Associates, P.C.*

Consumer Advocate of the Year
Marceline White, *Maryland Consumer Rights Coalition*

MEMBERS MAKING A DIFFERENCE

A large part of NACA's strength comes from those members who go above and beyond to make a difference in the financial position of our organization. We would like to thank the following individuals for their generous support of our association.

2016 CY PRES DONORS

Richard Gordon

Pamela Car, William Reinbrecht, and O. Randolph Bragg

Mark Steinbach and Richard Gordon

Anthony Fata, Dina Micheletti, Jeffrey Fazio, and Mark Chavez

E. Michelle Drake and John Albanese

2017 CY PRES DONORS

Robert Murphy

Pamela Car, William Reinbrecht, and O. Randolph Bragg

Steven Skalet and Cyrus Mehri

Scott Borison and Phillip Robinson

E. Michelle Drake, John Albanese, and Anna Prakash

2017-2018 MEMBERSHIP YEAR

Platinum Members

Leonard A. Bennett

Michael D. Donovan

Gold Members

Seth R. Lesser

Michael P. Malakoff

David J. Philipps

Mary E. Philipps

We would also like to thank our 7 Silver members and 41 Bronze members.

If you are ready and able to take your membership to the next level, talk to Leslie Taylor (Leslie@consumeradvocates.org) or Lisa Myers (Lisa@consumeradvocates.org) about increasing your membership to one of these higher levels.



Report to Members

A YEAR IN REVIEW:

NACA membership for the 2016–2017 year was strong, ending with 1,667 members. This was an increase of 30 members over the previous year.

Member engagement, as a result, was also strong. More than 26,000 posts have been sent through our listservs over the last year, and there are almost 30,000 documents searchable in the listserv libraries. In addition, the Issues Committee authored an additional six amicus briefs this year.

The NACA community continues to grow with the launch of the membership expansion project on October 2, which allows NACA a larger impact on consumer justice in lobbying and regulatory affairs while remaining consistent and true to the organization's mission. The revised membership requirements are clearer, and the application process has been simplified and streamlined, making it more welcoming to new potential members. As part of the new initiative, NACA now also has a formal Member Code of Conduct to which all members agree to abide. While the updated Membership Criteria and Code of Conduct are in effect, along with an updated pledge, application, and formalized process for vetting applications for new members, the changes won't affect current members until they renew in 2018.

NACA continued to look for ways to better prepare our members to do their work with our education and training program. The biggest innovation over this last year was the development of the association's first eCourse. The topic of the first course is debt defense, and it is a self-paced, in-depth educational opportunity for those new to the field. The eCourse will launch early in 2018.

The 2017 Fair Credit Reporting Act (FCRA) Conference in Baltimore, MD had the largest attendance in the history of that conference. It was a success by every measure and sets the bar high for the conference moving forward.

LEGISLATIVE & POLICY DEVELOPMENTS

Consumer protection received a big setback in October when the U.S. Senate voted 51-50 (with the tie-breaking vote by Vice-President Mike Pence) to overturn the rule on forced arbitration issued by the Consumer Financial Protection Bureau (CFPB). The rule had ensured that customers of financial services providers would be able to band together in class actions to pursue claims of wrongdoing. It was repealed in Congress under the Congressional

Review Act (CRA), which permits rollback of a recently issued federal regulation by simple majority votes. The House of Representatives voted to repeal the rule earlier in the summer. During the year, NACA defended the arbitration rule with public statements, letters, and research, as well as public and member outreach.

In 2017, NACA joined organization partners in actively opposing proposals that would be harmful to civil justice (including viability of class actions), funding for critical programs (particularly the Legal Services Corporation), federal regulatory processes, and consumer financial service protections.

Among the highlights, we employed various tactics (including congressional outreach, grassroots work, and public communications) in defense of the CFPB's authority, mission, and structure. NACA also opposed H.R. 2359, FCRA Liability Harmonization Act, which would amend the FCRA by limiting damages in class actions and individual cases. NACA strongly opposed efforts at federal agencies to roll back rules that had eliminated forced arbitration in the respective sectors. Specifically, the Department of Education has proposed to repeal its borrower defense rule that had eliminated arbitration clauses in college enrollment contracts, and the Center for Medicare/Medicaid Services seeks to roll back its rule that had eliminated forced arbitration in nursing home contracts.

In more positive developments, NACA strongly supported numerous bills introduced in the 115th session that would eliminate forced arbitration in various sectors. They include the Arbitration Fairness Act, Restoring Statutory Rights and Interests of the States Act, Justice for Victims of Fraud Act, and Justice for Servicemembers Act.

Internally, NACA has worked with its member policy committee and engaged members to assist in responses to Congress and federal agencies in support of, and to defend, our consumer protection priorities.

Finally, in 2017, NACA and NCLC organized Consumer Justice Lobby Day, a day of meetings with congressional offices for NACA members and other consumer advocates. More than 120 advocates signed up to participate.

continued on page 4

LOOKING AHEAD TO 2018 AND BEYOND

NACA’s mission is to promote justice for all consumers by maintaining a forum for communication, networking, and information sharing among consumer advocates across the country, and by serving as a voice for consumers in the ongoing struggle to curb unfair or abusive business practices that harm consumers. We do this through the combined efforts of the board, member leaders, and staff.

Over the next three years, these are key organizational priorities.

- Improve perception of the viability of the practice of consumer law.

- Build judicial awareness of the importance of consumer protection laws.
- Encourage attorneys to bring and appeal good cases that help improve consumer law.
- Remove obstacles for consumers seeking access to our justice system.
- Increase the availability of tools/resources to aid members’ professional and financial success.

Audited Statement of Activities

For Years Ended December 31

	2016	2015	2014
INCOME			
Membership Dues	\$396,515	\$389,190	\$375,503
Conferences & Trainings	\$107,134	\$127,339	\$93,850
Cy Pres	\$237,168*	\$1,078,626	\$281,416
Donations	\$19,860	\$43,263	\$7,529
Other	\$10,806	\$13,106	\$36,747
**This amount includes the Cy Pres donated to NACA’s 501(c)3.			
Total	\$578,997	\$1,651,524	\$773,134
EXPENSES			
Membership	\$264,073	\$254,537	\$117,962
Conferences & Trainings	\$218,519	\$187,132	\$184,625
Advocacy	\$149,741	\$125,344	\$156,175
Management & General	\$378,228	\$390,238	\$418,394
Other	\$24,754	\$63,128	\$69,580*
*\$59,115 of the other expenses was for the Tax Initiative contract.			
Total	\$1,035,315	\$1,020,379	\$946,736
Net Income	(\$456,318)	\$631,145	(\$173,602)

For Period Ending August 31, 2017

Income \$622,003 Expenses \$665,040 **Net (\$43,037)**

