



CFC Executive Director Robert Herrell was a featured panelist at a cryptocurrency conference hosted by the California Department of Financial Protection and Innovation (DFPI) in Berkeley, CA in October. Herrell spoke about the need for licensure and strong consumer protections in the cryptocurrency industry and lamented Governor Newsom's veto in September 2022 of a CFC-sponsored bill (AB 2269) which would have done exactly that. Less than 2 months later cryptocurrency exchange FTX collapsed amid fraud accusations.

**Message
from
Executive
Director on
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The Consumer Federation of California had a successful legislative year and advocated for more than 60 bills in 2022 alone. After many months of advocacy alongside other consumer groups, 26 of CFC's supported bills were signed by Governor Newsom and 12 out of 13 bills CFC opposed were stopped.

CFC was the leading organization in the fight towards providing safer regulations and licensing in the cryptocurrency arena and sponsored **Assembly Bill 2269** by Assemblymember Timothy Grayson (D- Concord). The digital asset and cryptocurrency market has expanded dramatically, with thousands of new virtual currencies going into circulation. This trend accelerated during the pandemic, as more and more consumers bought into the cryptocurrency market, spurred

by easily accessible trading applications, high profile Super Bowl ads, and internet hype. However, even though there was growing usage, regulation and consumer protections have not kept up, leaving unwitting consumers vulnerable ultimately leading to the loss of thousands for many investors, as with FTX and other entities.

AB 2269 would have established the Digital Financial Assets Law, which would have protected California consumers from financial hardship by licensing, and regulating the activities of digital financial asset companies such as cryptocurrency exchanges and companies offering so-called "stablecoins", etc. Even though AB 2269 was not signed this year, CFC will continue to lead the fight to ensure that proper action and protections are established in cryptocurrency and financial asset industry.

Due to CFC's active and leading role in crypto regulation, our Executive Director, Robert Herrell, was invited to serve on a panel with former top Clinton Economist Laura D'Andrea Tyson and other panelists at a crypto-related conference at the University of California Berkeley Business School co-sponsored by the Department of Financial Protection and Innovation.

Although AB 2269 did not become law this year, it has set the standard for consumer protections in the cryptocurrency arena. CFC is proud to say that this is not the end and will work tirelessly in 2023 to ensure that consumers are rightfully protected from financial harm in this area.

Ending Gender Based Price Discrimination

For decades certain businesses have unscrupulously charged more for products marketed toward women and girls than the same products marketed towards men or boys. Often, these products are essentially identical, with the only difference being in color or packaging. In 2016, a report by the US Congress' Joint Economic Committee found that women's products are priced 7% higher than substantially similar men's products.

Women in California are largely disadvantaged by the gender pay gap, with women earning 88 cents for every dollar a man makes (and African American and Latinx female workers considerably less than that), and the pink tax only serves to increase this inequality.



The Consumer Federation of California was proud to have sponsored Assembly Bill (AB) 1287, now law, by Assemblymember Rebecca Bauer-Kahan (D-Orinda). AB 1287 ended a decades-long battle to end gender-based pricing for women and girls. This new law closes this gender-based gap and ensures that California stays true to its longstanding commitment to consumer equality.

Under AB 1287, companies can still charge different prices for similar goods if they have a gender-neutral reason, but they are no longer able to increase the price merely because the product says "women's" on the label.

A New Year Brings New Hope for Consumers

Although many consumer protection bills that reached Governor Newsom's desk were vetoed, CFC will be working alongside other consumer protection groups and lawmakers in 2023 to bring them back.

Senate Bill 1323 by Senator Bob Archuleta (D-Pico Rivera), would have enacted market-based common-sense changes to California's foreclosure process, making it more transparent and fair to California's moderate and low-income communities by allowing defaulted homeowners to be paid out their full savings in home equity, if applicable. CFC sponsored SB 1323 as a means to stop the extraction of billions of dollars of wealth from our communities allowed by California's current foreclosure process. When a mortgage homeowner cannot pay back their loan, the lender will sell the borrower's property at an auction; the lender takes back the loan's remaining balance and the homeowner receives any surplus funds from the sale. However, because lenders often sell the secured property below its market value the homeowner may lose tens or hundreds of thousands of dollars of home equity.

It is important to note that foreclosed homeowners are disproportionately low-income, often elderly, immigrant, or disabled members of California's most vulnerable communities. For members of these communities, their home is often their only asset and home equity their only lifetime savings. The loss of even a portion of this equity is irreplaceable, putting the consumer at increased risk of poverty and homelessness.



In the technology and car industry, CFC fought hard for legislation that would enhance consumer control of their data and prevent in-cabin cameras from recording without their consent.



One of the growing trends in vehicle technology is that more and more vehicles are equipped with in-vehicle cabin cameras that look inside your car and have the capability of recording the actions of the driver, threatening consumers' privacy and safety. For these reasons, CFC sponsored Senate Bill 346 by Senator Bob Wieckowski (D-Fremont), as it required that consumers be informed at the time of purchase if a camera is installed inside a car and prohibited video recording from being sold or shared with third parties or being used for advertising.

Lastly, CFC was proud to work alongside other consumer protection groups to co-sponsor Senate Bill 1377 by Senator Josh Newman (D-Fullerton) to relieve consumers of unjustified fees while reinforcing the right for Californians to sue for defective products or illegal business practices. This bill would have exempted attorneys' fees awarded as part of a consumer protection legal settlement from being unfairly counted against taxpayer's adjusted gross income. SB 1377 would have helped ensure that no consumer is discouraged from fighting their case in court and holding companies accountable for their actions.



Overall, CFC had a great year and was extremely busy in the California Legislature this year. As we ring in the new year CFC will keep fighting for these and other protections for consumers. We will also continue to lead the fight in suggesting actions and rules to protect consumers with the CA Department of Financial Protection and Innovation (DFPI), the CA Department Insurance (CDI) and other state departments and agencies.

CFC has and will continue playing a growing role nationally as part of the Consumer Federation of America in advocating for consumer at the federal level.

The California Consumer

will be a biannual publication of the Consumer Federation of California to inform our supporters about CFC's advocacy and work. To receive The California Consumer via e-mail, contact mail@consumercal.org.



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About Us

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

Contributions are not tax deductible.

A Message from the Executive Director

Dear friends and supporters,

We are pleased to provide to you this summary of some of the critical consumer protection issues that the Consumer Federation of California (CFC) has been working on. CFC has been at the forefront of so many issues of importance to consumers throughout California, and at CFC we take seriously our mission to constantly push California to lead the nation, and often the world, in acting to protect consumers. As I finish up my third year as Executive Director I want to thank all of you for your support and assistance to CFC in fulfilling this mission.

We are already gearing up for a very active 2023, and, as always, need your help to make our aggressive agenda a reality. So I urge you during this holiday season to support CFC and our important work. We are almost always going up against large multinational corporations with the very deepest of pockets. These are companies who put profits before people and CFC is constantly having difficult conversations in the California Legislature and elsewhere on how we can do more to put consumer needs and consumer protections at the top of the action agenda. So please generously help us in this work. Contributions to CFC are not tax deductible - if you are seeking the tax deduction then you may give to our sister organization, by writing a check to the Consumer Federation of California Education Fund.

Thank you again and I wish for you and your family, friends and loved ones a time of caring, reflection and growth. Happy Holidays and Happy New Year!



Executive Director, Robert Herrell, with U.S. Representative Jackie Speiers.

Support CFC Today

In order to continue the fight, CFC needs your financial assistance to continue to advocate for the consumer rights of everyday Californians. Please support our work by helping CFC today. Give what you can so we can keep working hard to ensure that consumer protection is front and center in both Sacramento and Washington DC.

