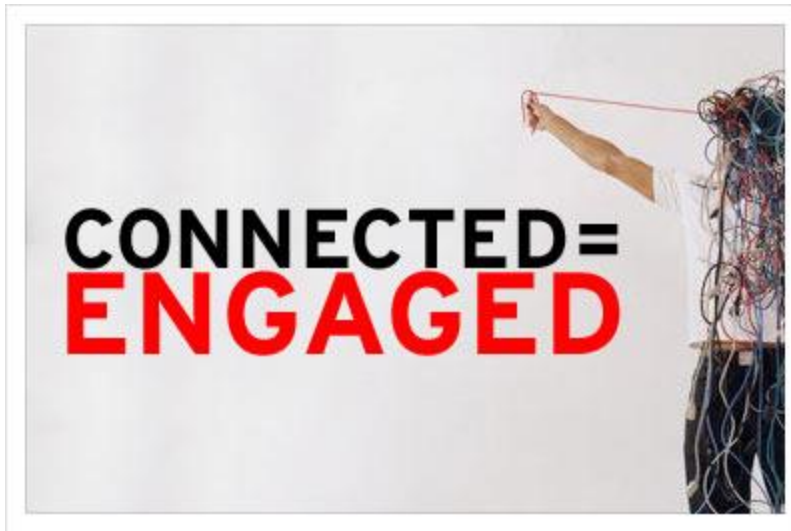




AMERICAN CONSUMER COUNCIL

2014 Annual Report

Executive Summary



“Connected and Engaged Consumers”

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AMERICAN CONSUMER COUNCIL

A significant majority of American consumers experienced a positive year in 2014 as our nation's economy grew at robust levels and the job market experienced steady improvement. Consumer confidence levels rose by an impressive 12% during 2014.

As the economic fortunes of consumers improved, so did the need for financial education and more consumer advocacy. This was the emphasis of the American Consumer Council (ACC) during 2014. ACC's influence continued as our association surpassed 160,000 members and expanded its membership to 24 countries.

Annual Meeting:

In compliance with our Bylaws, ACC held its annual meeting in San Diego on Friday, June 6, 2014 at the San Diego Torrey Pines Hilton in La Jolla, CA. and elected two new directors to its Board of Directors. The directors are Edward McHale, Esq. of Florida and Barbara Yager, Esq., of Connecticut.

Compliance:

ACC's Board of Directors received a welcome announcement from the National Credit Union Administration (NCUA) regarding its compliance as an association SEG (Select Employer Group). The criteria is set forth by the NCUA. The NCUA verified that ACC is in full compliance with the NCUA's criteria; and, ACC's own internal audit report was validated by representatives of the NCUA's General Counsel and Office of Consumer Protection (OCP) during a meeting at ACC's Silver Spring, Maryland office on December 15, 2014.

This was welcome news as it allows ACC to continue working with federally-chartered credit unions to mutually grow our memberships and expand our financial education programs with credit unions. The NCUA requested ACC's cooperation to conduct a quality control review in September 2013, and this process was concluded on December 15, 2014 after 16 months. A letter indicating ACC's compliance with the regulator's associational SEG requirements is expected from the NCUA's Office of Consumer Protection in January 2015.

Consumer Issues:

The American Consumer Council (ACC) is pleased to report continued membership growth and an increase in revenue through December 1, 2014. ACC's continued membership growth in 2014 is due to several initiatives: (1) the expansion of ACC's state consumer council offices from 16 physical locations to 26 physical locations; (2) ACC's emphasis on using social media to communicate with consumer-members and encourage consumers to make their voices heard on subjects ranging from poor product quality to honoring warranties from companies as well as the growing awareness among businesses in the area of corporate social responsibility and their commitment to satisfy consumers instead of alienating them; (3) an improved economic climate with meaningful job growth and more connected and engaged consumers thanks to expanding social media outlets; and, (4) the growth of credit unions as a safe, friendly alternative to traditional

banks that continue to lag behind credit unions in terms of their customer satisfaction scores and rank low because of their user-unfriendly policies towards consumers.

ACC has experienced double-digit growth for six straight years and ACC continues to benefit from consumers' frustration with companies that do not honor their words and promises to consumers. Recent examples of corporate malpractice and missteps include the troubled Japanese manufacturer of faulty auto airbags, Takata, which continues to stumble amid public outcry, the numerous contaminated food recalls, consumer frustration with government agencies including the embarrassing disclosures of inadequate treatment of veterans and fraudulent record manipulation by VA hospital administrators; airline passenger abuse caused by shrinking legroom and checked baggage policies; and, the continued economic erosion of the American middle class due to low wages and costly college tuition.

During the past year, ACC has been at the forefront of defending consumers against shoddy manufacturing practices and scams ranging from identity theft to stolen credit card data. In 2014, ACC partnered with 12 of its state consumer councils to support states' attorneys general in their fight to hold mortgage companies and lenders accountable for illegal foreclosures and fraudulent home loan practices.

Membership:

As of December 1, 2014, ACC experienced a membership growth rate of 10.1% resulting in the addition of 13,655 new members giving us a total of 159,318 members (accounting for attrition). This means ACC and its 46 state affiliate consumer councils surpassed its annual membership goal of 155,000 members.

ACC is also proud of its member retention rate of 93.1%. ACC currently has members in all 50 states as well as Europe, Asia, Puerto Rico, Guam, and the U.S. Virgin Islands. Some 68.1% of ACC members continue to come from individuals who consider themselves activists, advocates or mistreated consumers seeking redress through ACC. The balance of new members – approximately 31.9% -- are generated through our 46 credit union affiliations.

Also, ACC can report that 65.4% of ACC members have some credit union affiliation while 34.6% have no credit union affiliation or declined to state any affiliation with a credit union.

In 2014, ACC expanded its global partnership with consumers through the International Consumer Council to combat identity theft, healthcare scams, oppose censorship of information on the internet, and challenge shoddy quality practices in the manufacturing arena, especially in Asia.

Also, ACC renewed its partnership with **Visa** to encourage consumers to use the Visa credit card products and help school districts use Visa's financial education tools.

Credit Union Partnerships:

In 2014, ACC's expansion with credit unions was slowed by regulatory hurdles set in place by the National Credit Union Administration (NCUA). ACC added two credit unions during the past year – Texell Credit Union in Austin, Texas and Freedom Credit Union in Pennsylvania.

Education:

In 2015, ACC will expand its offering of financial education programs through its new relationship with Advice IQ, a for profit financial advisors network that helps consumers; and, the National Endowment for Financial Education (NEFE). This will allow ACC to offer over 25 new programs to our consumer members and state consumer councils.

ACC continues to partner with VISA™ to promote its Practical Money Skills for Life as well as ACC's **TeenRich™** financial education program for junior high schools and high schools.

Revenue:

The American Consumer Council experienced **modest financial growth in 2014**. ACC revenues grew by 3.6%; but administrative and state consumer council expenses increased by 14.2% which resulted in a draw-down of over \$168,000 from ACC reserves in 2014. ACC anticipates a return to positive revenue growth of 6% in 2015 and the opportunity to replenish its reserves to pre-2014 levels of 4%.

Awards:

The American Consumer Council continued its *Friend of the Consumer Awards* including recognition of four companies.

Also, ACC continues to promote its **Green C™ Certification** program, which recognizes companies and organizations for their environmental stewardship and Corporate Social Responsibility. This advanced criteria helps applicants assess their environmental standards, adopt stronger environmental practices, and demonstrate their Corporate Social Responsibility practices. This is a major step for ACC and it reflects our growing commitment to ensuring future generations will enjoy the natural resources of our planet.



With Appreciation and Gratitude. ACC is grateful for its member involvement with over 188 members actively serving on various boards, state consumer councils and standing committees.

ACC also is appreciative of our professional staff and elected Board of Directors for their dedication to consumerism and for their support of ACC as we continue to expand our national organization and fulfill our mission of consumer advocacy, financial education, and corporate social responsibility.

As a new generation of consumers emerges -- a generation that is highly connected and engaged as a result of social media -- ACC is confident that consumerism will continue to grow and the need to advocate on behalf of consumers will become even more important. ACC is ready and able to provide this advocacy role in 2015.