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13 **CONSUMER WATCHDOG**

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **FOR THE COUNTY OF LOS ANGELES**

18 **CONSUMER WATCHDOG, a non-profit**
19 **organization,**

20 **Petitioner/Plaintiff,**

21 **v.**

23 **RICARDO LARA, in his official capacity as the**
24 **Insurance Commissioner of the State of**
25 **California; CALIFORNIA DEPARTMENT OF**
26 **INSURANCE; and DOES 1-50,**

27 **Respondents/Defendants.**

Case No. 20STCP00664

Assigned to Hon. Mitchell L. Beckloff

DECLARATION OF RUSTY AREIAS

Action Filed: February 27, 2020
Hearing Date: December 10, 2021

1 I, Rusty Areias, declare as follows:

2
3 1. I am a former member of the California State Assembly and at all times relevant to this declaration
4 was a partner in California Strategies, a public affairs firm. The facts stated in this Declaration are true and correct of
5 my own personal knowledge.

6 2. I have been asked in this declaration at the request of Consumer Watchdog to provide responses to
7 some questions relevant to the above captioned lawsuit. This is not intended, nor does it constitute, a complete or
8 detailed description of all of the work that I undertook on behalf of Applied Underwriters in connection with its efforts
9 related to domesticating CIC in California or saving the Berkshire deposit from being forfeited.

10 3. At some time between approximately February and June 2019, Fabian Nunez and I had a brief
11 conversation with California Insurance Commissioner Ricardo Lara wherein Fabian Nunez informed Commissioner
12 Lara that we might be or were about to be representing Applied Underwriters and might reach out to him in the future
13 in this regard.

14 4. In June 2019, I phoned into a meeting between Fabian Nunez and Steve Menzies to discuss strategy
15 for obtaining approval by the California Department of Insurance ("CDI") of California Insurance Company's
16 ("CIC") FORM-A application, which broadly related to the transfer of ownership of CIC to Mr. Menzies. We
17 agreed to the material terms of the consulting agreement on June 26, 2019 to get CIC's application approved by CDI
18 and began work immediately. The contract was formally signed on July 9, 2019. Steven Menzies is the president of
19 Applied Underwriters.
20

21 5. During the course of assisting the clients on this matter, I had multiple phone calls with Bryant
22 Henley at CDI regarding CIC and Applied Underwriters. In our telephonic conversations Lazlo Komjathy at CDI
23 was always on the line but never said anything. In these calls I informed Henley and Komjathy, among other things,
24 that I was representing CIC and Applied Underwriters. I cannot recall the dates on these calls.

25 6. I do not recall having any other communications with Commissioner Lara about this matter.

26
27 I declare under penalty of perjury under the laws of the State of California that the foregoing is true and
28 correct and that this Declaration was executed on 12/10/21 at San Francisco.

Rusty Areias

RUSTY AREIAS

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