

## AAA Buys Election

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At least one million dollars was spent by AAA of Northern California to protect its long standing monopoly of its board of directors. Assuming one million dollars was spent, (e.g., to send mail to 1.25 million members) to get 147,000 special proxy votes, it cost \$6.80 for each vote. That amount of money could finance several senate seats in the U.S. Congress.

Dr. Pedigo, after working a grass roots campaign with virtually no money, was able to attract 17,000 consumers to vote against AAA for the first time in its 83-year-old history.

Given less than 60 days to get consumers to vote for Dr. Pedigo's slate, it was a gargantuan task. Hundreds of chiropractic officers over Northern California were instantly mobilized in an effort to challenge the incumbents of the stock holder-owned insurance company. Brian Hill, president of AAA, determined he would spare no expense to preserve his control over the organization. He sent memos to all 4,000 employees, instructing them to make an all out effort to get Auto Club members to vote for the incumbent board of directors. Further, senior management of AAA spent thousands of dollars for full page newspaper ads to counteract the bad publicity that AAA was receiving for its unfair claims handling and anti-chiropractic attitude.

Dr. Pedigo, at the election on Feb. 22, noted that, out of 1,000 people in the auditorium, well over 900 were actually either full-time employees of AAA or allied defense attorneys. AAA employees turned out in great numbers on company time.

As Dr. Pedigo points out, "Walking into the auditorium, I had a feeling that management tried to create a crowd sympathetic to CSAA by having a vast majority of their employees at the meeting."

Initially, when dissident members began to address John Bryan, chairman of the board, they were hooted down by cat calls from AAA employees.

Dr. Pedigo, who was then recognized to speak by Mr. Bryan, requested that the incumbent board of directors stand so they could be recognized. Mr. Bryan and the board complied. But when Dr. Pedigo asked that the AAA employees also stand, which would require some 900 people to rise on their feet, Mr. Bryan denied the request.

Bill Press, pro-chiropractic and energetic candidate for Insurance Commissioner of California, was present, as a long-time member of Northern California AAA. He addressed the convention and insisted that AAA quit using its own resources to protect its own nest, to allow genuine democracy to take hold and to let consumers get a balanced view of the two slates involved.

The momentum among the chiropractic and consumer public had snapped into high gear during the last week of the election. One week before the election, attorney Gary Gwilliam filed a bad-faith suit against AAA for 15 victims of AAA's abusive practices. The suit contends that AAA regularly engages in an outrageous conduct in first party med pay claims. His lawsuit, part of CSAA Steering Committee activity, attracted widespread attention in the San Francisco Bay Area on television and radio, and in newspapers.

The proxy campaign successfully challenged the power of AAA. Its top management panicked at the resulting bad publicity and thousands of consumers, for the first time, asserting their election privilege.

Larry Murray, attorney for the Pedigo slate, was elated with the support Dr. Pedigo received, without funds or time. Mr. Murray is filing a new suit asking the court to set aside the vote as an unfair election and to have the Pedigo slate installed.

Proxy organizers promised they will be back next year with more time to organize. Word is expected to get out to the 2.9 million AAA members that there is an alternative, and that AAA members can remove the monopoly, as Eastern Europe removed the communist monopoly.

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