

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

2006

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2006 calendar year, or tax year beginning _____, **2006**, and ending _____

- B** Check if applicable
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

C

Please use IRS label or print or type. See specific instructions.

CONSUMER EDUCATION FOUNDATION
4182 BECK AVE.
STUDIO CITY, CA 91604

D Employer Identification Number
95-4720268

E Telephone number
818-980-0340

F Accounting method: Cash Accrual
 Other (specify) _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations
- H (a)** Is this a group return for affiliates? Yes No
- H (b)** If 'Yes,' enter number of affiliates _____
- H (c)** Are all affiliates included? Yes No
(If 'No,' attach a list. See instructions.)
- H (d)** Is this a separate return filed by an organization covered by a group ruling? Yes No

G Web site: N/A

J Organization type (check only one) 501(c) 4 (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

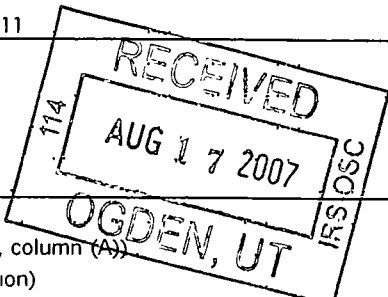
I Group Exemption Number _____

M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **1,607,840.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

1 Contributions, gifts, grants, and similar amounts received				
a Contributions to donor advised funds	1a			
b Direct public support (not included on line 1a)	1b			
c Indirect public support (not included on line 1a)	1c			
d Government contributions (grants) (not included on line 1a)	1d			
e Total (add lines 1a through 1d) (cash \$ _____ noncash \$ _____)	1e			0.
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3 Membership dues and assessments	3			
4 Interest on savings and temporary cash investments	4			
5 Dividends and interest from securities	5			75,352.
6a Gross rents	6a			
b Less rental expenses	6b			
c Net rental income or (loss) Subtract line 6b from line 6a	6c			
7 Other investment income (describe _____)	7			
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	1,532,488.	8a		
b Less cost or other basis and sales expenses		8b		
	1,183,317.	8b		
c Gain or (loss) (attach schedule) STATEMENT 1		8c		
	349,171.	8c		
d Net gain or (loss). Combine line 8c, columns (A) and (B)		8d		349,171.
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
b Less direct expenses other than fundraising expenses	9b			
c Net income or (loss) from special events Subtract line 9b from line 9a	9c			
10a Gross sales of inventory, less returns and allowances	10a			
b Less cost of goods sold	10b			
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11 Other revenue (from Part VII, line 103)	11			
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			424,523.
13 Program services (from line 44, column (B))	13			269,341.
14 Management and general (from line 44, column (C))	14			49,053.
15 Fundraising (from line 44, column (D))	15			
16 Payments to affiliates (attach schedule)	16			
17 Total expenses. Add lines 16 and 44, column (A)	17			318,394.
18 Excess or (deficit) for the year Subtract line 17 from line 12	18			106,129.
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			3,508,311.
20 Other changes in net assets or fund balances (attach explanation)	20			
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			3,614,440.



SCANNED AUG 30 2007

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ <u>155,000.</u> non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	155,000.	155,000.	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch)	25a	100,000.	95,000.	5,000.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	25b	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26			
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28	10,874.	10,330.	544.
29 Payroll taxes	29	7,346.	6,979.	367.
30 Professional fundraising fees	30			
31 Accounting fees	31	3,900.		3,900.
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34	101.		101.
35 Postage and shipping	35	173.		173.
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39			
40 Conferences, conventions, and meetings	40	294.		294.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42	2,775.		2,775.
43 Other expenses not covered above (itemize):				
a <u>SEE STATEMENT 2</u>	43a	37,931.	2,032.	35,899.
b _____	43b			
c _____	43c			
d _____	43d			
e _____	43e			
f _____	43f			
g _____	43g			
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	318,394.	269,341.	49,053.

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ SEE ATTACHED STATEMENT 5.

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and
(4) organizations and
4947(a)(1) trusts; but
optional for others.)

a TO EDUCATE THE PUBLIC AND ADVOCATE THE PUBLIC INTEREST IN PARTICIPATION OF PUBLIC PROCESSES AND DEMOCRATIC INSTITUTIONS. SEE STATEMENT 5.

(Grants and allocations \$ 77,500.) If this amount includes foreign grants, check here...

134,671.

b TO PROVIDE THE PUBLIC WITH CONSUMER INFORMATION AND ANALYSIS OF PUBLIC POLICY ISSUES. SEE STATEMENT 5.

(Grants and allocations \$ 77,500.) If this amount includes foreign grants, check here...

134,670.

c _____

(Grants and allocations \$ _____) If this amount includes foreign grants, check here...

d _____

(Grants and allocations \$ _____) If this amount includes foreign grants, check here...

e Other program services

(Grants and allocations \$ _____) If this amount includes foreign grants, check here...

f Total of Program Service Expenses (should equal line 44, column (B), Program services)..... ▶

269,341.

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing		45	
	46 Savings and temporary cash investments	59,589.	46	78,436.
	47 a Accounts receivable		47 a	
	b Less allowance for doubtful accounts		47 b	47 c
	48 a Pledges receivable		48 a	
	b Less: allowance for doubtful accounts		48 b	48 c
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50 a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50 b	
	51 a Other notes and loans receivable (attach schedule)		51 a	
	b Less allowance for doubtful accounts		51 b	51 c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 a Investments — publicly-traded securities STMT 3 <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV	3,442,595.	54 a	3,526,781.
	b Investments — other securities (attach sch) <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV		54 b	
	55 a Investments — land, buildings, & equipment: basis		55 a	
	b Less accumulated depreciation (attach schedule)		55 b	55 c
	56 Investments — other (attach schedule)		56	
	57 a Land, buildings, and equipment: basis	25,551.	57 a	
b Less accumulated depreciation (attach schedule) STATEMENT 4.	16,328.	57 b	57 c	
58 Other assets, including program-related investments (describe _____)	6,127.	58	9,223.	
59 Total assets (must equal line 74) Add lines 45 through 58	3,508,311.	59	3,614,440.	
LIABILITIES	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe _____)		65	
66 Total liabilities. Add lines 60 through 65	0.	66	0.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds	3,508,311.	72	3,614,440.
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	3,508,311.	73	3,614,440.
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	3,508,311.	74	3,614,440.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	N/A
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	N/A
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
HARVEY ROSENFELD P.O. BOX 1980 SANTA MONICA, CA 90406	PRESIDENT 35	100,000.	0.	10,874.
JAY ANGOFF 216 EAST MCCARTY STREET JEFFERSON CITY, MO 65101	DIRECTOR 0	0.	0.	0.
JOHN PHILLIPS 2000 MASSACHUSETTS AVE NW FL 1 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
ANN CARLSON 405 HILGARD, BOX 951476 LOS ANGELES, CA 90065	DIRECTOR 0	0.	0.	0.

Part VI Other Information (Continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82 b	N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84 b	N/A		
85 a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		X
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		X
	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members		
85 c	0.		
d	Section 162(e) lobbying and political expenditures		
85 d	0.		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85 e	0.		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85 f	0.		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
85 h			
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
86 a	N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
86 b	N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
87 a	N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
87 b	N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
88 b			
89 a	501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under: section 4911 ▶ N/A, section 4912 ▶ N/A; section 4955 ▶ N/A		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
89 b			
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. ▶ 0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.		
89 c			
89 d			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 e			
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 f			
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89 g			
90 a	List the states with which a copy of this return is filed ▶ CA		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)		0
90 b			
91 a	The books are in care of ▶ PAMELA KAIZER Telephone number ▶ (818) 980-0340 Located at ▶ 4182 BECK AVENUE, STUDIO CITY, CA, ZIP + 4 ▶ 91604		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶		X
91 b			

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? Yes No
 If 'Yes,' enter the name of the foreign country 91 c X

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here N/A
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	75,352.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	349,171.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				424,523.	
105 Total (add line 104, columns (B), (D), and (E))					424,523.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
N/A	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity	Yes	No
		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity	Yes	No
		X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?	Yes	No
		X

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here	Signature of officer: <u><i>Harvey Rosenfeld</i></u> Type or print name and title: <u>HARVEY ROSENFELD</u>	Date: <u>8-13-07</u>
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Paid Preparer's Use Only	Preparer's signature: <u><i>[Signature]</i></u> Firm's name (or yours if self employed), address, and ZIP + 4: <u>JENKINS, BOWLER & PERKINS LLP</u> <u>626 S LAKE AVE</u> <u>PASADENA, CA 91106-3918</u>	Date: <u>8/08/07</u>	Check if self-employed: <input type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction W): <u>P00008092</u> EIN: <u>95-2131722</u> Phone no: <u>(626) 792-2179</u>
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**Depreciation and Amortization
(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

CONSUMER EDUCATION FOUNDATION

Identifying number

95-4720268

Business or activity to which this form relates

FORM 990/990-PF

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See the instructions for a higher limit for certain businesses	1	\$108,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$430,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2007 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	2,775.

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B – Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return Partnerships and S corporations — see instructions	22	2,775.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

STATEMENT 1
FORM 990, PART I, LINE 8
NET GAIN (LOSS) FROM NONINVENTORY SALES

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE: 1,532,488.
COST OR OTHER BASIS: 1,183,317.

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES \$ 349,171.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 349,171.

STATEMENT 2
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A)	(B)	(C)	(D)
	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING
ADMINISTRATIVE CONSULTING	5,094.		5,094.	
BANK CHARGES	110.		110.	
INSURANCE	4,065.	2,032.	2,033.	
INVESTMENT COUNSELLOR	26,753.		26,753.	
OFFICE EXPENSE	1,772.		1,772.	
PENALTIES	32.		32.	
TAXES AND LICENSES	105.		105.	
TOTAL	\$ <u>37,931.</u>	\$ <u>2,032.</u>	\$ <u>35,899.</u>	\$ <u>0.</u>

STATEMENT 3
FORM 990, PART IV, LINE 54A
INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>OTHER PUBLICLY TRADED SECURITIES</u>	<u>VALUATION METHOD</u>	<u>AMOUNT</u>
TOTAL OTHER PUBLICLY TRADED SECURITIES	COST	\$ 3,526,781.
	TOTAL	\$ <u>3,526,781.</u>

PUBLICLY TRADED SECURITIES \$ 3,526,781.

STATEMENT 4
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

<u>CATEGORY</u>	<u>BASIS</u>	<u>ACCUM. DEPREC.</u>	<u>BOOK VALUE</u>
MACHINERY AND EQUIPMENT	\$ 25,551.	\$ 16,328.	\$ 9,223.
TOTAL	<u>\$ 25,551.</u>	<u>\$ 16,328.</u>	<u>\$ 9,223.</u>

Consumer Education Foundation
EIN 95-4720268
For Year Ended 12/31/ 2006

STATEMENT 5
FORM 990, PART III

During 2006, the CEF supported two projects consistent with its goal of utilizing the Foundation's resources so as maximize the impact of its resources.

1. Oaks Project Grant (Foundation for Taxpayer and Consumer Rights)

The CEF has provided ongoing support for a new model of public participation that encourages Americans to participate more directly and deeply in public processes and democratic institutions. With the assistance of the CEF, the California-based Oaks Project, operating under the aegis of the Foundation for Taxpayer and Consumer Rights, has developed and expanded an innovative citizen participation model that engaged in recruitment, training, legislative advocacy, grassroots campaigning, and public education. It reported the following activities:

A. Educating and activating citizens online. In 2006, the Oaks Project completed an overhaul of the Consumerwatchdog.org Internet portal for e-advocacy and Internet advocacy. Through the website, the Project educates the public about corporate and political accountability efforts of the organization and provides tools for citizens to get involved in important public debates concerning corporate and political reform issues. The ConsumerWatchdog.org website, which is the main portal for Oaks Project activities and has been funded in large part by the CEF grant, saw greatly increased internet traffic as a result.

The significant increase in visits to the organization's web site and in email subscriptions show the impact of the Oaks e-activist efforts. The organization developed a series of innovative and well-received internet projects, including videos, blogs and action items that broadened its corporate and government accountability efforts. Subscribers receive regular alerts, and educational opportunities to watch new Internet videos and animation at Consumerwatchdog.org, then contact their public officials with a letter or fax written on-line. A significant number of e-activists educated through the videos took action to write a public official.

Additionally, the CEF grant funded research and drafting of a comprehensive analysis of how the new structures and styles dominating the web, collectively known as Web 2.0, can be used by nonprofits like FTCCR to engage a new community of activists and concerned citizens. The report will be published for use by nonprofit groups and other activist organizations.

B. Defending and Improving Local Conflict of Interest Laws. The Oaks Project's defense of the municipal conflict of interest laws it has successfully sponsored continued in 2006. In one of those cities, Pasadena, volunteers joined FTCCR staff in monitoring a city task force established to review and improve the law. The Pasadena City Council, following the recommendations of the taskforce, led by former California Attorney General John Van de Kamp, placed on the municipal ballot a measure to amend and strengthen the law's provisions. The Oaks' participation in the task force process and their persuasive advocacy for the reform was critical to the outcome. Measure B passed overwhelmingly on the November 7, 2006 ballot.

(To Be Continued onto Next Page...)

Consumer Education Foundation
EIN 95-4720268
For Year Ended 12/31/ 2006

STATEMENT 5
FORM 990, PART III

(...Continued from Previous Page)

In Santa Monica, FTCR and Oaks volunteers worked against a City Council effort to repeal that's city's conflict of interest law, which was enacted by the Oaks. The Council placed Proposition W, on the November 7th ballot that purported to be a good government law but would have negated the Oaks initiative. With funding from an FTCR affiliate, Election Watchdog, the Oaks Project led a campaign that defeated Prop W – relying on direct mail, telephone banking and free media exposure. The Oaks law remains in effect in Santa Monica today. As a result, a number of City Council members have begun returning contributions from entities to which they have voted to give contracts or benefits.

C. Public Education on California Government. A significant use of the Oaks grant during 2006 was the publication of several web sites intended to educate the public concerning the actions of public officials. These sites include DirtyMoneyWatch and ArnoldWatch. With these web sites, the Oaks Project pioneered a new model for grassroots education enabling the public to both better understand, and participate in, the workings of government.

Grantee: Oaks Project, c/o Foundation for Taxpayer and Consumer Rights
Amount: \$155,000
Address: 1750 Ocean Park #200, Santa Monica, CA 90405
Contact: Jamie Court, President

2. CEF Internet Education Project

In 2006, CEF staff developed web materials and initiated a web site to provide the public with consumer information and analysis of public policy issues: honestanswers.org.

CEF also established a website to address problems consumers face in the commercial marketplace, and involve website visitors in developing solutions to those problems. The site is givememymoneyback.com.

CONSUMER EDUCATION FOUNDATION
(EIN 95-4720268)
Grants and Allocations
For the Year Ended 12/31/2006

Schedule to Form 990, Part II, Line 22b
Grants and Allocations

<u>Donee and Address</u>	<u>Activity</u>	<u>Amount Given</u>
Foundation for Taxpayers and Consumer Rights 1750 Ocean Park Blvd., #200 Santa Monica, CA 90405	See details under "Public Education and Participation" in Statement 5	155,000
Total Amount Given in 2006		<u>\$ 155,000</u>

CONSUMER EDUCATION FOUNDATION
(EIN 95-4720268)
Investment Securities
For the Year Ended 12/31/2006

Schedule to Form 990, Part IV, Line 54a
Investments - Securities

	<u>Beginning of Year</u>	<u>End of Year</u>
Bond Funds		
Pimco Foreign Bond Fund	\$ 146,997	\$ -
Pimco Foreign Unhedged Fund	-	222,159
Pimco Low Duration Fund	370,380	242,726
Pimco Total Return	222,496	336,466
Total Bond Funds	<u>739,873</u>	<u>801,351</u>
Equity Funds		
Allianz CCM Emerging Companies Inst't CI	148,170	140,507
Artisan Int'l Fund	136,840	115,204
Calamos Growth Fund CI A	135,082	110,033
Chesapeake Core Growth Fund	251,074	276,888
Cohen & Steers International Realty	-	146,536
Cohen & Steers Realty	150,744	101,599
Dodge & Cox International Stock Fund	-	166,986
Dodge & Cox Stock Fund	213,970	194,772
Hussman Strategic Growth	227,411	283,476
ICM Small-Cap Company Portfolio Inst'l CI	127,688	127,694
Ivy Global Natural Resources Fund CI A	251,353	237,817
JP Morgan Mid-Cap Value Fund Inst'l Shares	118,988	116,798
Merger Fund	181,896	284,923
Morgan Stanley Inst'l Emerging Markets	62,246	63,106
Morgan Stanley Inst'l International Equity	167,816	-
Oakmark International Small Cap Fund	-	155,065
Pimco All Asset Fund Inst'l CI	229,115	-
Selected American Shares	211,932	204,026
Tweedy Browne Global Value Fund	88,397	-
Total Equity Funds	<u>2,702,722</u>	<u>2,725,430</u>
	<u>\$ 3,442,595</u>	<u>\$ 3,526,781</u>