

5/29/80

Memorandum 80-49

Subject: Conflict of Interest Code

The Commission must adopt a proposed conflict of interest code at the June meeting. A staff draft of the code is attached hereto. This code, as modified at the June meeting, will be submitted to the Fair Political Practices Commission along with supporting justifications before June 30. For your information, we have attached as an exhibit to this memorandum a copy of the applicable forms for reporting disclosable sources of income. (See Exhibit 1.) Also attached hereto is a copy of the manual for persons required to file financial statements under a conflict of interest code. (See Exhibit 2.)

At the May meeting, a question was raised concerning the extent to which a person filing a financial statement would be expected to make inquiries about the business affairs of a client. The FPPC staff tells us that a filer must use reasonable diligence in completing a form and so would be responsible for disclosing reportable financial interests that the filer knows or has reason to know. This is consistent with portions of the Political Reform Act. Government Code Section 87100 provides in relevant part that "no public official . . . shall make . . . a governmental decision in which he knows or has reason to know he has a financial interest." Government Code Section 91004 provides that "any person who intentionally or negligently violates any of the reporting requirements" is liable in a civil action. There is no "reason to know" standard directly applicable to disclosure under a conflict of interest code, but the liability standard of Section 91004 should provide adequate protection.

Respectfully submitted,

Stan G. Ulrich
Staff Counsel

STAFF DRAFT

Proposed Conflict of Interest Code for the
California Law Revision Commission

The terms of 2 Cal. Admin. Code Section 18730 and any amendments to it are hereby incorporated into this Conflict of Interest Code by reference. Pursuant to Section 4(b) of this Conflict of Interest Code, all designated employees shall file statements of economic interests with the California Law Revision Commission, which shall make and retain a copy of each statement and forward the originals to the Fair Political Practices Commission, which is the filing officer for these statements.

Those persons who are designated employees and the disclosure categories describing the kinds of financial interests they must report are set forth in the attached Appendix.

A P P E N D I X

DESIGNATED EMPLOYEES

<u>Designated Employees</u>	<u>Disclosure Categories</u>
Commission Member (appointed by Governor)	1, 2
Executive Secretary	1, 2, 3
Assistant Executive Secretary	1, 2, 3
Staff attorneys	1
Administrative Assistant	2, 3

DISCLOSURE CATEGORIES

Category 1

A designated employee in this category must disclose the following:

1. Interests in real property.
2. Investments in business entities listed below.
3. Personal income from entities or persons listed below.
4. Business entity income from entities or persons listed below.
5. Business positions in entities listed below.

The following entities, in the jurisdiction of California, constitute the financial interests which foreseeably may be materially affected by a Law Revision Commission decision:

1. Banks, savings and loan associations, credit unions, and other financial institutions.
2. Mortgage brokers.
3. Collection agencies.
4. Any entities or persons whose primary activity in California is the making of secured or unsecured loans.
5. Any entities or persons whose primary activity in California is the leasing or development of real property.
6. Any entities or persons whose primary activity in California is the leasing of personal property.
7. Insurance companies.
8. Public entities, so long as the income is not excluded by Government Code Section 82030(b)(2).
9. Title insurance companies.
10. Newspaper companies.
11. Corporate sureties.
12. Adoption agencies.
13. Persons engaging in private placing for adoption of more than one child per year.
14. Privately owned public utilities.

This list of financial interests is based on an analysis of the Law Revision Commission's agenda of topics. If a new topic is added to the Commission's agenda, no work on the topic may be commenced until after the possible effect on financial interests of the consideration of the topic is analyzed and this Conflict of Interest Code is amended to include any sources of income that are not listed above.

Category 2

A designated employee in this category must disclose business entities in which he or she has an investment and sources of income if the business entities or sources of income are of the type which within the previous two years contracted with the Law Revision Commission to provide leased space or consulting services to or on behalf of the Law Revision Commission.

Category 3

A designated employee in this category must disclose business entities in which he or she has an investment and sources of income if the business entities or sources of income are of the type which within the previous two years contracted with the Law Revision Commission to provide equipment, materials, supplies, or services (other than consulting services) to or on behalf of the Law Revision Commission.

FORM 730**Statement of Economic Interests
For Designated Employees**

(Instructions attached on Page 13)

Please type or print in ink

NAME	POSITION
STATE DEPARTMENT AND UNIT OR LOCAL AGENCY	
MAILING ADDRESS	TELEPHONE NUMBER

Check the appropriate box:

☐ **INITIAL STATEMENT:** The Conflict of Interest Code for your agency becomes effective on _____. You must file a Statement within thirty days after this date disclosing your reportable interests held on this date. You are not required to disclose income, gifts or loans on this Statement.

☐ **ASSUMING OFFICE STATEMENT:** You have assumed office on _____.

☐ Civil service position – file thirty days after assuming office.

☐ Non-civil service position – file ten days after assuming office.

☐ Position subject to Senate confirmation – file ten days after appointment or nomination.

You must disclose all reportable interests, other than income, gifts and loans, held on the date you assume your position.

☐ **ANNUAL STATEMENT:** You are required to file a Statement no later than _____ disclosing all reportable interests held or received during the period from January 1, 1979, * through December 31, 1979.

☐ **LEAVING OFFICE STATEMENT:** You are leaving or have left your position on _____ and must file a Statement within thirty days of that date. You must disclose all reportable interests held or received during the period from January 1, 1979,* through the date you left office.

☐ **CANDIDATE STATEMENT:** You are a candidate for elective office. You must disclose all reportable interests, other than income, gifts, and loans, held on the date you filed nomination papers. You must file this Statement within five days after the final date for filing nomination papers.

NOTICE TO ALL FILERS: In the event you are given an assignment which may affect your financial interests you should consult your agency's Conflict of Interest Code for guidance concerning disqualification.

FILING OFFICER	TELEPHONE NUMBER
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* If this is your first annual Statement or if you wish to combine a leaving office Statement and an annual Statement, see the instructions attached to this form for directions on modifying the period covered by this Statement.

THE FOLLOWING SUMMARY MUST BE COMPLETED BY ALL FILERS

SCHEDULE A - Investments

☐ Schedule completed & attached

☐ No reportable interests

☐ Schedule not applicable to my disclosure category

SCHEDULE B - Interests in Real Property

☐ Schedule completed & attached

☐ No reportable interests

☐ Schedule not applicable to my disclosure category

SCHEDULE C - Investments and Interests in Real Property Held by Business Entities or Trusts

☐ Schedule completed & attached

☐ No reportable interests

☐ Schedule not applicable to my disclosure category

SCHEDULE D - Income (other than Gifts and Loans)

☐ Schedule completed & attached

☐ No reportable interests

☐ Schedule not applicable to this type of statement or to my disclosure category

SCHEDULE E - Loans

☐ Schedule completed & attached

☐ No reportable interests

☐ Schedule not applicable to this type of statement or to my disclosure category

SCHEDULE F - Gifts

☐ Schedule completed & attached

☐ No reportable interests

☐ Schedule not applicable to this type of statement or to my disclosure category

SCHEDULE G - Income of Business Entities

☐ Schedule completed & attached

☐ No reportable interests

☐ Schedule not applicable to this type of statement or to my disclosure category

SCHEDULE H - Employment and Management Positions in Business Entities

☐ Schedule completed & attached

☐ No reportable interests

☐ Schedule not applicable to my disclosure category

IMPORTANT: If boxes are checked for all schedules above to indicate "No reportable interests" or "Schedule not applicable..." you should detach the schedules and file only pages 1 and 2. If you need more space on any schedule, obtain a supplemental schedule from your filing officer.

VERIFICATION

I declare under penalty of perjury that I have used all reasonable diligence in preparing this Statement and to the best of my knowledge it is true and complete.

Executed on _____, 19____, at _____

SIGNATURE

All of the information required by this form is mandatory, is required by the provisions of the Political Reform Act, Government Code Section 81000 et seq., and will be available to any member of the public upon request. This information is to be used to reveal to public scrutiny certain financial interests of public officials and employees in order to disclose potential conflicts of interests and to aid in the prevention of actual conflicts of interests.

SCHEDULE A - INVESTMENTS

Investments (of the type described in your disclosure category) owned by the filer, spouse and dependent children aggregating \$1,000 or more in value.

NAME OF ENTITY		CHECK ONE	
NATURE OF INTERESTS, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC.		<input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000	
GENERAL DESCRIPTION OF BUSINESS ACTIVITY	<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE	<input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000
			<input type="checkbox"/> VALUE EXCEEDS \$100,000

NAME OF ENTITY		CHECK ONE	
NATURE OF INTERESTS, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC.		<input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000	
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GENERAL DESCRIPTION OF BUSINESS ACTIVITY	<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE	<input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000
			<input type="checkbox"/> VALUE EXCEEDS \$100,000

SCHEDULE B - INTERESTS IN REAL PROPERTY

Interests in Real Property (of the type described in your disclosure category) in which the filer, spouse and dependent children have an aggregate interest of \$1,000 or more in value.

STREET ADDRESS OR PRECISE LOCATION OF PROPERTY		CHECK ONE	
NATURE OF INTEREST, E.G., EQUITY, OPTION		<input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000	
<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE	<input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000	
		<input type="checkbox"/> VALUE EXCEEDS \$100,000	

STREET ADDRESS OR PRECISE LOCATION OF PROPERTY		CHECK ONE	
NATURE OF INTEREST, E.G., EQUITY, OPTION		<input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000	
<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE	<input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000	
		<input type="checkbox"/> VALUE EXCEEDS \$100,000	

STREET ADDRESS OR PRECISE LOCATION OF PROPERTY		CHECK ONE	
NATURE OF INTEREST, E.G., EQUITY, OPTION		<input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000	
<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE	<input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000	
		<input type="checkbox"/> VALUE EXCEEDS \$100,000	

See explanations on reverse side

Schedule A

INVESTMENTS

"Investments" are any ownership interest in business entities. The most common kinds are stocks in a corporation, partnerships and sole proprietorships. Reportable investments do not include bank accounts, insurance policies, government bonds, interests in a diversified mutual fund registered with the S.E.C. under the Investment Act of 1940 or a common trust fund created pursuant to Section 1564 of the Financial Code. If you are a beneficiary or maker of a trust, consult the detailed Instruction Manual or your agency's legal counsel or filing officer.

Schedule B

INTERESTS IN REAL PROPERTY

"Interests in real property" include ownership interests, options to purchase, and leasehold interests if ten years or more remain on the lease. The value of a leasehold interest is the total amount of rent owed by you during the period covered by the Statement. An interest in real property is not reportable if it is your principal place of residence. However, if your principal place of residence also is a place of business, e.g., a family farm or retail business, you are required to disclose that portion of the property which is used in connection with your business activities.

**SCHEDULE C — INVESTMENTS & INTERESTS IN REAL PROPERTY
HELD BY BUSINESS ENTITIES OR TRUSTS**

Investments and Interests in Real Property (of the type described in your disclosure category) held by business entities or trusts in which the filer, spouse and dependent children have an aggregate interest of 10% or greater.

NAME OF BUSINESS ENTITY OR TRUST

INVESTMENTS HELD BY BUSINESS ENTITY OR TRUST

<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td colspan="3">NAME OF ENTITY</td></tr> <tr><td colspan="3">NATURE OF INVESTMENT, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC.</td></tr> <tr> <td style="width:40%;">GENERAL DESCRIPTION OF BUSINESS ACTIVITY</td> <td style="width:20%; text-align: center;"> <input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED </td> <td style="width:40%;">DATE</td> </tr> </table>	NAME OF ENTITY			NATURE OF INVESTMENT, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC.			GENERAL DESCRIPTION OF BUSINESS ACTIVITY	<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE	CHECK ONE <input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000 <input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000 <input type="checkbox"/> VALUE EXCEEDS \$100,000
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GENERAL DESCRIPTION OF BUSINESS ACTIVITY	<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE								

INTERESTS IN REAL PROPERTY HELD BY BUSINESS ENTITY OR TRUST

<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td colspan="3">STREET ADDRESS OR PRECISE LOCATION OF PROPERTY</td></tr> <tr><td colspan="3">NATURE OF INTEREST, E. G., EQUITY, OPTION</td></tr> <tr> <td style="width:40%;"> <input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED </td> <td style="width:20%; text-align: center;">DATE</td> <td style="width:40%;"></td> </tr> </table>	STREET ADDRESS OR PRECISE LOCATION OF PROPERTY			NATURE OF INTEREST, E. G., EQUITY, OPTION			<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE		CHECK ONE <input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000 <input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000 <input type="checkbox"/> VALUE EXCEEDS \$100,000
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STREET ADDRESS OR PRECISE LOCATION OF PROPERTY										
NATURE OF INTEREST, E. G., EQUITY, OPTION										
<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE									

See explanations on reverse side

Schedule C

**INVESTMENTS AND INTERESTS IN REAL PROPERTY
HELD BY BUSINESS ENTITIES OR TRUSTS**

If you, your spouse and dependent children collectively own more than 10% of a business entity, you must report your pro rata share, if worth \$1,000 or more, of any investments or interests in real property which are held by the business entity. You must provide the same information that is required for any other investment or interest in real property. If you are a beneficiary or maker of a trust, consult the detailed Instruction Manual or your agency's legal counsel or filing officer.

NAME _____

SCHEDULE D – INCOME (OTHER THAN GIFTS AND LOANS)

Income aggregating \$250 or more from reportable sources of income (of the type described in your disclosure category).

NAME OF SOURCE OF INCOME	CHECK ONE <input type="checkbox"/> AMOUNT OR VALUE RECEIVED DOES NOT EXCEED \$1,000 <input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000 <input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$10,000
ADDRESS OF SOURCE OF INCOME	
BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY	
DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED	

NAME OF SOURCE OF INCOME	CHECK ONE <input type="checkbox"/> AMOUNT OR VALUE RECEIVED DOES NOT EXCEED \$1,000 <input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000 <input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$10,000
ADDRESS OF SOURCE OF INCOME	
BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY	
DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED	

NAME OF SOURCE OF INCOME	CHECK ONE <input type="checkbox"/> AMOUNT OR VALUE RECEIVED DOES NOT EXCEED \$1,000 <input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000 <input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$10,000
ADDRESS OF SOURCE OF INCOME	
BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY	
DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED	

NAME OF SOURCE OF INCOME	CHECK ONE <input type="checkbox"/> AMOUNT OR VALUE RECEIVED DOES NOT EXCEED \$1,000 <input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000 <input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$10,000
ADDRESS OF SOURCE OF INCOME	
BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY	
DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED	

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ADDRESS OF SOURCE OF INCOME	
BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY	
DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED	

See explanations on reverse side

Schedule D

INCOME (OTHER THAN GIFTS AND LOANS)

The most common forms of income include salary, wages, interest, and the proceeds from sales, including sale of your house or car. Reportable income does not include salary and reimbursement for expenses or per diem received from a state, local or federal government agency; dividends, interest or other return on a security registered with the S.E.C.; payments under an insurance policy; interest on bank accounts or bonds; income of dependent children; alimony or child support payments; redemption of a mutual fund; or any devise or inheritance. Your income includes your community property share of your spouse's income.

NAME _____

SCHEDULE E - LOANS

Outstanding loans and loans received aggregating \$250 or more from any reportable source of income (of the type described in your disclosure category).

NAME OF LENDER		CHECK ONE <input type="checkbox"/> AMOUNT OWED DOES NOT EXCEED \$1,000 <input type="checkbox"/> AMOUNT OWED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000 <input type="checkbox"/> AMOUNT OWED EXCEEDS \$10,000		
ADDRESS OF LENDER				
BUSINESS ACTIVITY OF LENDER				
SECURITY FOR LOAN	<input type="checkbox"/> NONE	ENTIRE LOAN REPAID <input type="checkbox"/>	INTEREST RATE	<input type="checkbox"/> NONE

NAME OF LENDER		CHECK ONE <input type="checkbox"/> AMOUNT OWED DOES NOT EXCEED \$1,000 <input type="checkbox"/> AMOUNT OWED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000 <input type="checkbox"/> AMOUNT OWED EXCEEDS \$10,000		
ADDRESS OF LENDER				
BUSINESS ACTIVITY OF LENDER				
SECURITY FOR LOAN	<input type="checkbox"/> NONE	ENTIRE LOAN REPAID <input type="checkbox"/>	INTEREST RATE	<input type="checkbox"/> NONE

NAME OF LENDER		CHECK ONE <input type="checkbox"/> AMOUNT OWED DOES NOT EXCEED \$1,000 <input type="checkbox"/> AMOUNT OWED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000 <input type="checkbox"/> AMOUNT OWED EXCEEDS \$10,000		
ADDRESS OF LENDER				
BUSINESS ACTIVITY OF LENDER				
SECURITY FOR LOAN	<input type="checkbox"/> NONE	ENTIRE LOAN REPAID <input type="checkbox"/>	INTEREST RATE	<input type="checkbox"/> NONE

SCHEDULE F - GIFTS

Gifts aggregating \$25 or more from any reportable source of income (of the type described in your disclosure category).

NAME OF DONOR		DATE(S) OF GIFT(S)
ADDRESS OF DONOR		VALUE OF GIFT(S)
BUSINESS ACTIVITY OF DONOR, IF ANY		DESCRIPTION OF GIFT(S)

NAME OF DONOR		DATE(S) OF GIFT(S)
ADDRESS OF DONOR		VALUE OF GIFT(S)
BUSINESS ACTIVITY OF DONOR, IF ANY		DESCRIPTION OF GIFT(S)

NAME OF DONOR		DATE(S) OF GIFT(S)
ADDRESS OF DONOR		VALUE OF GIFT(S)
BUSINESS ACTIVITY OF DONOR, IF ANY		DESCRIPTION OF GIFT(S)

See explanations on reverse side

Schedule E

LOANS

You must report all outstanding loans and loans received at the highest amount owed by you during the reporting period. Reportable loans do not include loans from commercial lenders made in their ordinary course of business on terms available to the public without regard to official status if the loans:

- (1) Were used to purchase your principal place of residence; or
- (2) Aggregate less than \$10,000 from any one lender, including indebtedness arising from retail installment or credit transactions.

Reportable loans also do not include loans from family members.

Schedule F

GIFTS

Reportable gifts do not include food, drink or lodging provided in another individual's home; gifts approximately equal in value exchanged between you and an individual, other than a lobbyist, on holidays, birthdays, or similar occasions, gifts of informational materials, not including travel; gifts from family members; gifts which are not used and which within thirty days are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes; and any devise or inheritance.

Name _____

SCHEDULE G – INCOME OF BUSINESS ENTITIES

Income (of the type described in your disclosure category) of a business entity in which the filer, spouse and dependent children have an aggregate interest of 10% or more.

NAME OF BUSINESS ENTITY	ADDRESS OF BUSINESS
DESCRIPTION OF BUSINESS ENTITY	<input type="checkbox"/> PROVIDES LEGAL OR BROKERAGE SERVICES <input type="checkbox"/> DOES NOT PROVIDE LEGAL OR BROKERAGE SERVICES

Names of clients and customers who provide income to the filer's business entity must be disclosed if the thresholds set forth on the reverse side of this schedule are satisfied.

SCHEDULE H – EMPLOYMENT AND MANAGEMENT POSITIONS IN BUSINESS ENTITIES

NAME OF ENTITY	ADDRESS OF ENTITY
GENERAL DESCRIPTION OF BUSINESS ACTIVITY	YOUR JOB TITLE OR POSITION
NAME OF ENTITY	ADDRESS OF ENTITY
GENERAL DESCRIPTION OF BUSINESS ACTIVITY	YOUR JOB TITLE OR POSITION
NAME OF ENTITY	ADDRESS OF ENTITY
GENERAL DESCRIPTION OF BUSINESS ACTIVITY	YOUR JOB TITLE OR POSITION

See explanations on reverse side

Schedule G

SOURCES OF INCOME TO BUSINESS ENTITIES

Attorneys and Brokers: If your pro rata share (including your community property interest in your spouse's share) of the fees paid to your business entity by a reportable source of income was \$1,000 or more, list the name of such reportable source of income. No other reporting is required with respect to such income.

Other businesses: If your pro rata share (including your community property interest in your spouse's share) of the gross receipts paid to your business entity by a reportable source of income was \$10,000 or more, list the name of such reportable source of income. No other reporting is required with respect to such income.

If you believe that your client's names are privileged under California law, you may request from the Commission an exemption from disclosure of their names.

Schedule H

EMPLOYMENT AND MANAGEMENT POSITIONS IN BUSINESS ENTITIES

You must report the required information with respect to any business entity for which you are a director, officer, partner, trustee, employee or hold any position of management if such information is required by your disclosure category.

Please detach these instructions from the STD-730 prior to filing.

**INSTRUCTIONS FOR COMPLETION OF THE STD-730
STATEMENT OF ECONOMIC INTEREST**

GENERAL INSTRUCTIONS

Your agency has adopted a document called a "Conflict of Interest Code." People covered by the Code are called "designated employees" and must disclose certain of their personal finances. The types of finances which you must disclose are described in the part of the Code called the "disclosure category." Before you go any further, make sure that your filing officer has given you a copy of your disclosure category.

If you have questions about reporting which are not answered in these instructions or those contained on the reverse side of each schedule, consult your agency's filing officer or legal counsel who have been provided with a more detailed manual by the Fair Political Practices Commission.

ORGANIZATION OF FORM

The Political Reform Act provides that four general types of interests may be made reportable in conflict of interest codes: Investments, interests in real property, income, and management positions (which include being an employee). With respect to the first three of these, the reporting requirement extends not only to your personal interests but also to interests held by business entities or trusts of which you and your immediate family own 10% or more. The schedules separate personal and business-owned interests as follows:

	PERSONAL	BUSINESS-OWNED
Investments	Schedule A	Schedule C
Interests in Real Property	Schedule B	Schedule C
Income	Schedule D	Schedule G
Loans *	Schedule E	not applicable
Gifts *	Schedule F	not applicable
Management Positions	Schedule H	not applicable

*Loans and gifts must be reported when your disclosure category requires income to be reported. They are reported on separate schedules because there is a lower reporting threshold for gifts than for other kinds of income and because different information must be reported for both loans and gifts than for other kinds of income.

Step 1: Complete the first page. The period covered by the statement is printed on the form. If you are filing your first annual statement or a leaving office statement and fall into the situations described below, you should modify the period covered printed on the form as indicated.

1. If you assumed office after January 1, 1979, draw a line through "January 1" and write in the date you assumed office.

2. If your agency's Conflict of Interest Code became effective after January 1, 1979, draw a line through "January 1" and write in the date the Code became effective.

3. If you filed an initial or assuming office statement before January 1, 1979, and have not filed a statement since, you should draw a line through "January 1" and write in the date your agency's Code became effective (if your last statement was an initial statement) or the date you assumed office (if your last statement was an assuming office statement).

4. If you left office after December 31, 1979, but before your annual filing date and wish to file a consolidated leaving office and annual statement, draw a line through "December 31" and write in the date you left office.

Step 2: If you are filing an initial or assuming office statement, turn to the summary page (back of 1st page) and check the box "Schedule not applicable to this type of statement or to my disclosure category" for Schedules D, E, F and G.

Step 3: Consult your disclosure category. If it does not require the reporting of any of the general kinds of interests covered by the form, turn to the summary page and for the schedule for that kind of interest, check the box marked "Schedule not applicable to my disclosure category." For example, if your disclosure category does not require you to report interests in real property, mark the box entitled "Not applicable to my disclosure category" for Schedule B.

Step 4: If you have not already checked Schedules C and G "not applicable" and if you, your spouse and dependent children do not collectively own 10% or more of a business entity or trust, check the box on the summary page marked "No reportable interests" for Schedules C and G.

Step 5: With respect to the remaining schedules, determine if you have any interests of the kind described in your disclosure category. If not, check the box on the summary page marked "No reportable interests." NOTE - a) You must report investments and interests in real property held at any time during the period covered by this statement regardless of whether they are still held at the time of filing. b) You must report investments and interests in real property held by your spouse and dependent children and your community property share in your spouse's income. c) You must report only investments in business entities, sources of income (other than gifts) and real property which are located in or doing business or planning to do business in the geographical area subject to your agency's authority. Real property is deemed to be located within the geographical area subject to the agency's authority if it is within two miles of the area subject to the agency's authority or any land owned or used by the agency.

Step 6: If you have reportable interests, you must complete the appropriate schedules. If there is no change in the information on a previously filed schedule, you may make a copy of that schedule and attach it to your statement instead of filling out a whole new schedule. For each schedule containing reportable interests, mark the box on the summary page entitled "Schedule completed and attached."

Step 7: Sign the verification and fill in the date and the city where you did so.

SPECIAL REPORTING PROBLEMS

1. **Reporting Rental Property:** As a general rule, you must report the property on Schedule B, the total amount of rents as income on Schedule D and any tenants who pay rents of which your pro rata share is \$10,000 or more on Schedule G. If you own 10% or more of a business entity which owns rental property, you should report the business entity on Schedule A, the property on Schedule C, the total amount of rents as income on Schedule D, and tenants who pay rents of which your pro rata share is more than \$10,000 on Schedule G. If you own less than 10% of a business entity which owns rental property, you must report your interest in the business entity on Schedule A and any income from the business entity on Schedule D. You need not report either the property or the tenants.

2. **Interest in a Trust:** If you have set up a trust for others or if you are a beneficiary of a trust, including a blind trust, see your agency's filing officer or legal officer for reporting instructions.

1979-80 MANUAL FOR STATEMENTS OF ECONOMIC INTERESTS FOR DESIGNATED EMPLOYEES FORM 730

(Government Code Sections 87300-87313)

For Use By:

PERSONS FILING INITIAL STATEMENTS PURSUANT TO A NEWLY
ADOPTED CONFLICT OF INTEREST CODE

* * *

PERSONS FILING ASSUMING OFFICE STATEMENTS

* * *

PERSONS FILING ANNUAL STATEMENTS

* * *

PERSONS FILING LEAVING OFFICE STATEMENTS

* * *

PERSONS FILING CANDIDATE STATEMENTS

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WHAT IS A STATEMENT OF ECONOMIC INTERESTS?

A Statement of Economic Interests is a form on which public employees and officials disclose certain financial interests and which is available for inspection by the public at the filer's agency.

WHO MUST FILE STATEMENTS?

Statements of Economic Interests must be filed by agency employees and officials whose positions are designated in their agency's Conflict of Interest Code.

WHEN MUST STATEMENTS BE FILED?

New Conflict of Interest Code (Initial Statement)—within 30 days after the effective date of your agency's Conflict of Interest Code.

Assuming a Designated Position

- a. **Civil Service Position or Elective Office**—within 30 days after assuming the position
- b. **Non Civil Service Position**—within 10 days after assuming the position. However, if your position is subject to confirmation by the Senate, your assuming office Statement must be filed within 10 days of appointment or nomination

Annually—at a time prescribed by your agency's Conflict of Interest Code *

Leaving Office—within 30 days after leaving a designated position

Becoming a Candidate**—within 5 days after the final date for filing nomination papers

PLEASE NOTE: Failure to file Statements on time may result in penalties including but not limited to late fines.

WHAT PERIOD SHOULD THE STATEMENT COVER?

Initial Statements—reportable interests, as described in your disclosure category, held on the effective date of your agency's Conflict of Interest Code

Assuming Office Statements—reportable interests, as described in your disclosure category, held on the date of assuming a designated position

Annual Statements—reportable interests, as described in your disclosure category, held at any time during the period from January 1, or from the closing date of the last annual, assuming office, or initial Statement filed, through December 31 of the previous year *

Leaving Office Statements—reportable interests, as described in your disclosure category, held at any time during the period from January 1, or from the closing date of the last annual, assuming office, or initial Statement filed, through the date of leaving office

Candidate Statements**—reportable interests, as described in your disclosure category, held on the date you filed nomination papers

PLEASE NOTE: On annual and leaving office Statements you must disclose investments and interests in real property held during the period whether or not they are held at the time of filing, and income and gifts received during the period, if required by your disclosure category.

* According to FPPC Regulation 18732, if you assume office or come under the coverage of a newly-adopted Conflict of Interest Code between October 1 and December 31 and file an initial or assuming office Statement under the provisions of the Code, you need not file an annual Statement until one year following the date specified in the Code if the filing deadline for the annual Statement is April 1 or earlier. Under such circumstances, the period covered by your first annual Statement will therefore be longer than a calendar year and will go back to the date of assuming office or the date the Code became effective, whichever is applicable.

** These provisions apply only to candidates for elective office, but not all Conflict of Interest Codes require candidates to file Statements of Economic Interests. If you are a candidate for an elective office covered by a Conflict of Interest Code, check the Code to see if you have to file.

WHERE MUST STATEMENTS BE FILED?

You should file your Statement with either your agency or the code reviewing body, as specified in your agency's Conflict of Interest Code. If the Code requires Statements to be filed with the agency, the original of Statements of the head of the agency and members of boards and commissions not under a department of state or local government will be forwarded to the code reviewing body. The Fair Political Practices Commission is the code reviewing body for state agencies and local agencies with jurisdiction in more than one county, the Board of Supervisors is the code reviewing body for county agencies and special districts within one county, and the City Council is the code reviewing body for city agencies.

WHAT TO DISCLOSE

You are required to disclose *only* those kinds of financial interests described in the disclosure categories applicable to your position in your agency's Conflict of Interest Code.

Your reportable interests may include:

- Business entities
 - in which you have an investment
 - in which you hold a position of responsibility
- Interests in real property
- Sources of income and gifts

Except for gifts, financial interests generally need not be disclosed if they are outside the geographical jurisdiction of your agency. The jurisdiction for most state agencies is the State of California, and the jurisdiction for school and special districts is the district.

A business entity or source of income is in the jurisdiction if it or a related business entity:

- Is located or resides in the jurisdiction
- Does business in the jurisdiction
- Plans to do business in the jurisdiction
- Has done business in the jurisdiction within the previous two years.

In addition, a business entity is in the jurisdiction if it or a related business entity has an interest in real property in the jurisdiction. An interest in real property is in the jurisdiction if it is located in or within two miles of the jurisdiction or within two miles of any land owned or used by the agency. A gift is reportable without regard to where the donor is located.

HOW TO COMPLETE A STATEMENT OF ECONOMIC INTERESTS

Check your agency's Conflict of Interest Code to find the disclosure category assigned to your position. Your disclosure category determines the type of interests which you must report. Following is a discussion of how to complete the schedules of your Statement (Form 730).

COVER SHEET AND SUMMARY PAGE

The cover sheet and summary page must be completed on your Statement. The cover sheet is self-explanatory and contains such information as your name, address, type of Statement being filed and period covered by the Statement. Your filing officer has been encouraged to fill out the cover sheet before the Statement is given to you for completion.

The summary page requires you to indicate whether each of the eight schedules is:

- Completed and attached
- Not applicable to your disclosure category
- Not completed because you had no interests to report

If your interests have not changed since a previously filed Statement, you may attach a copy of the schedule from your previously filed Statement and mark the box on the summary sheet indicating that the schedule has been completed and attached.

EXAMPLE, SUMMARY PAGE

Your disclosure category requires you to report investments and income but not interests in real property. You have some reportable investments and income, including several gifts but no loans. You do not own 10 percent or more of any business entity or hold an employment or management position in a business entity. Your summary sheet should be completed as follows:

SCHEDULE A - Investments

☒ Schedule completed & attached ☐ No reportable interests ☐ Schedule not applicable to my disclosure category

SCHEDULE B - Interests in Real Property

☐ Schedule completed & attached ☐ No reportable interests ☒ Schedule not applicable to my disclosure category

SCHEDULE C - Investments and Interests in Real Property Held by Business Entities or Trusts

☐ Schedule completed & attached ☒ No reportable interests ☐ Schedule not applicable to my disclosure category

SCHEDULE D - Income (other than Gifts and Loans)

☒ Schedule completed & attached ☐ No reportable interests ☐ Schedule not applicable to this type of statement or to my disclosure category

SCHEDULE E - Loans

☐ Schedule completed & attached ☒ No reportable interests ☐ Schedule not applicable to this type of statement or to my disclosure category

SCHEDULE F - Gifts

☒ Schedule completed & attached ☐ No reportable interests ☐ Schedule not applicable to this type of statement or to my disclosure category

SCHEDULE G - Income of Business Entities

☐ Schedule completed & attached ☒ No reportable interests ☐ Schedule not applicable to this type of statement or to my disclosure category

SCHEDULE H - Employment and Management Positions in Business Entities

☐ Schedule completed & attached ☒ No reportable interests ☐ Schedule not applicable to my disclosure category

SCHEDULE A Investments

You must report each of your investments (as described in your disclosure category) valued over \$1,000. Any investments held by your spouse or dependent children* must be reported as though held by you personally.

EXCEPTIONS: You are *not* required to disclose the following:

- Time or demand deposits in a financial institution (e.g., bank accounts, savings accounts)
- Shares in a credit union
- Any insurance policy
- Any bond or other debt instrument issued by any government or government agency
- Diversified mutual funds registered with the Securities and Exchange Commission
- Common trust funds created under California Financial Code Section 1564
- Investments acquired by a blind trust pursuant to FPPC Regulation 18235 (For a discussion of blind trusts see Appendix I, following Schedule H)

For each reportable investment you must report the following:

- Nature of the Investment (e.g., common stock, partnership)
- Name of the business entity and a general description of its business activity
- Date you acquired or disposed of the investment if you did so during the period covered by the Statement (not applicable to initial, assuming office or candidate Statements)
- Value of your investment. For purposes of determining whether or not the value of an investment exceeds \$1,000, \$10,000 or \$100,000, you should consider the *highest* value of the asset during the period. For initial or assuming office Statements you should consider the value of the asset as of the effective date of your Code or the date you assumed office, respectively.

EXAMPLE, SCHEDULE A

Assume that each of the investments below is made reportable by your disclosure category. On February 1, you purchased \$800 worth of common stock in XYZ Corporation, a corporation doing business in your jurisdiction. On March 1, the stock had a market value of \$1,200. On May 1, you sold the stock for \$900. You must list the stock because for part of the period covered by the Statement your investment was worth more than \$1,000. Schedule A should be completed as follows:

NAME OF ENTITY XYZ Corporation		CHECK ONE <input checked="" type="checkbox"/> VALUE DOES NOT EXCEED \$10,000	
NATURE OF INTERESTS, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC. Common stock		<input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000	
GENERAL DESCRIPTION OF BUSINESS ACTIVITY manufactures widgets	<input checked="" type="checkbox"/> ACQUIRED <input checked="" type="checkbox"/> DISPOSED	DATE 2-1-79 5-1-79	
		<input type="checkbox"/> VALUE EXCEEDS \$100,000	

*Your natural or adopted children under the age of 18 who are eligible to be claimed by you as an exemption for tax purposes.

SCHEDULE B Interests in Real Property

You must report each interest in real property, including any leasehold,* beneficial or ownership interest or an option to acquire such an interest (as described in your disclosure category) if the fair market value of your interest is over \$1,000. Any interest in real property held by your spouse or dependent children must be reported as though held by you personally.

EXCEPTIONS: You are *not* required to disclose the following:

- Your principal place of residence. However, if your principal place of residence is also a place of business, e.g., a family farm or retail store, you are required to disclose that portion of the interest in real property which is used in connection with your business activities if your business comes within your disclosure category.
- Interests in real property acquired by a blind trust pursuant to FPPC Regulation 18235 (For discussion of blind trusts see Appendix I, following Schedule H.)

For each *reportable* interest in real property you must show the following:

- Street Address. If there is no street address, you must state the lot and subdivision, the assessor's parcel number, or other precise location of the real property.
- Nature of your interest (e.g., equity, option)
- Date you acquired or disposed of the real property if you did so during the period covered by the Statement (not applicable for initial or assuming office Statements)
- Value of your interest. The value of property you own is your equity interest, which consists of the fair market value of the property (including any appreciation since it was purchased) minus any outstanding debt secured by the property.

EXAMPLE, SCHEDULE B

Assume that each of the interests in real property below is made reportable by your disclosure category. You own an apartment building in which your equity is \$150,000 and during the reporting period you paid \$4,500 to obtain an option to buy a lot. Both pieces of property are located in your jurisdiction. Schedule B should be completed as follows:

STREET ADDRESS OR PRECISE LOCATION OF PROPERTY 1345 Third Street, Mudville	CHECK ONE <input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000 <input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000 <input checked="" type="checkbox"/> VALUE EXCEEDS \$100,000
NATURE OF INTEREST, E.G., EQUITY, OPTION equity	
<input type="checkbox"/> ACQUIRED DATE <input type="checkbox"/> DISPOSED	
STREET ADDRESS OR PRECISE LOCATION OF PROPERTY Lot 212, Idylwilde Subdivision, Mudville	CHECK ONE <input checked="" type="checkbox"/> VALUE DOES NOT EXCEED \$10,000 <input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000 <input type="checkbox"/> VALUE EXCEEDS \$100,000
NATURE OF INTEREST, E.G., EQUITY, OPTION option	
<input checked="" type="checkbox"/> ACQUIRED DATE <input type="checkbox"/> DISPOSED 6-17-79	

* An interest in a lease on real property which will not expire for at least ten years after the first day of the period covered by your Statement is reportable if the value of the leasehold interest is more than \$1,000. The value of the leasehold interest is the total amount of rent owed by you during the period covered by the Statement or, on an assuming office Statement, during the 12 months prior to assuming office. No leasehold interest of less than 10 years or with a value of \$1,000 or less need be reported. When reporting a leasehold interest, you must include the number of years remaining on the lease, the address or other precise location of the leased property and the date upon which the lease became effective or terminated if either date occurred during the period covered by the Statement.

SCHEDULE C **Investments and Interests in Real Property** **Held by Business Entities or Trusts**

BUSINESS ENTITIES: If you, your spouse or dependent children own, individually or collectively, from 10 percent to 49 percent of a business entity, you must report your pro rata share, if worth \$1,000 or more, of any investment or interest in real property (as described in your disclosure category) which is held by the business entity.

If you, your spouse or dependent children own, individually or collectively, 50 percent or more of a business entity, you must disclose the full value of investments and interests in real property worth \$1,000 or more held by the business entity rather than merely your pro rata share of such investments and interests in real property. For each reportable investment or interest in real property, you must provide the same information that is required for any other investment or interest in real property. (See discussions of Schedules A and B.)

TRUSTS: If you, your spouse or dependent children have, individually or collectively, a 10 percent or greater interest in a trust, you must report your pro rata share, if worth \$1,000 or more, of any investment or interest in real property (as described in your disclosure category) which is held by the trust. According to FPPC Regulation 18234, you have an interest in a trust if you are:

1. A maker and:
 - a. can revoke or terminate the trust; or
 - b. have retained any rights to the income or principal of the trust or retained any reversionary or remainder interest; or
 - c. have retained any power of appointment including the power to change the beneficiaries.
2. A beneficiary and:
 - a. presently receive income; or
 - b. have an irrevocable future right to receive income or principal.

If you are only a trustee, you do not have a reportable interest in the trust.

For each reportable investment or interest in real property you must provide the same information that is required for any other investment or interest in real property. (See discussions of Schedules A and B.)

EXAMPLE, SCHEDULE C

You have a 20 percent interest in Investors, Inc., which owns \$4,000 worth of common stock in XYZ Corp., \$60,000 worth of common stock in QED Corp., and a 250 acre tract of undeveloped land with an equity of \$25,000. The corporations and the land are all located within your jurisdiction and are described in your disclosure category. As your pro rata share of the XYZ stock is worth only \$800, you need not report it. Schedule C should be completed as follows:

NAME OF BUSINESS ENTITY OR TRUST
 Investors, Inc.

INVESTMENTS HELD BY BUSINESS ENTITY OR TRUST

NAME OF ENTITY QED Corporation		CHECK ONE <input type="checkbox"/> VALUE DOES NOT EXCEED \$10,000 <input checked="" type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000 <input type="checkbox"/> VALUE EXCEEDS \$100,000	
NATURE OF INVESTMENT, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC. common stock			
GENERAL DESCRIPTION OF BUSINESS ACTIVITY manufactures widgets	<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE	

INTERESTS IN REAL PROPERTY HELD BY BUSINESS ENTITY OR TRUST

STREET ADDRESS OR PRECISE LOCATION OF PROPERTY Mudville County Assessor's Parcel 6-428-034B		CHECK ONE <input checked="" type="checkbox"/> VALUE DOES NOT EXCEED \$10,000 <input type="checkbox"/> VALUE EXCEEDS \$10,000 BUT DOES NOT EXCEED \$100,000 <input type="checkbox"/> VALUE EXCEEDS \$100,000	
NATURE OF INTEREST, E. G., EQUITY, OPTION equity			
<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED	DATE		

SCHEDULE D

Income (Other Than Gifts and Loans)

You must disclose income aggregating \$250 or more received from a reportable source of income (as described in your disclosure category) during the reporting period. Your income includes your community property interest in the income of your spouse. Your income also includes your pro rata share of any income of a trust in which you, your spouse or dependent children have individually or collectively, a 10 percent or greater interest. To determine if you have an interest in a trust, see discussion of Schedule C.

Some common forms of income to be reported on this schedule include salary, wages, interest, proceeds from any sale including sale of your house or car, forgiveness or payment by a third party of indebtedness owed by you, repayment of indebtedness owed to you, per diem, and reimbursement for expenses. If you sell your house or car, the total sales price is reportable regardless of any obligation you might have to pay loans secured by the property.

Income which is loans should be reported on Schedule E and income which is gifts should be reported on Schedule F.

EXCEPTIONS: You need not disclose income on initial or assuming office Statements. In addition, you are *not* required to disclose the following:

- Salary or reimbursements for expenses and per diem received from a federal, state or local government agency
- Reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization
- Campaign contributions
- Devise or inheritance
- Dividends, interest or other return on a security which is registered with the Securities and Exchange Commission of the U.S. Government
- Payments received under an insurance policy
- Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union, an insurance policy, or a bond or other debt instrument issued by a government or government agency
- Income of dependent children
- Alimony or child support payments
- Redemption of a mutual fund
- Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).
- With respect to an event at which you speak, serve on a panel, lead a seminar or provide similar services: free admission, food, beverages and similar nominal benefits provided at the event; reimbursement or advance for actual travel within California to and from the event; and reimbursement or advance for necessary accommodations provided directly in connection with the event.
- Income from assets acquired by a blind trust (For a discussion of blind trusts see Appendix I following Schedule H)

When income from a *reportable* source is disclosed, you must include the following:

- Name of the source of income
- Address of the source of income
- Business activity of the source of income
- Description of the consideration for which the income was received
- Amount or value received

EXAMPLE, SCHEDULE D

Assume that the income below is made reportable by your disclosure category. You own stock in California Widget Corporation, a large publicly-owned company registered with the Securities and Exchange Commission and doing business in your jurisdiction. You received \$2,000 during the reporting period in dividends. You also received \$15,000 in salary from your insurance business and you sold your car to Fred Brown for \$3,500. You need not report the dividends as income since California Widget is registered with the Securities and Exchange Commission. Schedule D should be completed as follows:

NAME OF SOURCE OF INCOME Smith & Jones Insurance Company	CHECK ONE <input type="checkbox"/> AMOUNT OR VALUE RECEIVED DOES NOT EXCEED \$1,000
ADDRESS OF SOURCE OF INCOME 123 Fourth Avenue, Mudville	<input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000
BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY Insurance brokerage	<input checked="" type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$10,000
DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED Personal services	

NAME OF SOURCE OF INCOME Fred Brown	CHECK ONE <input type="checkbox"/> AMOUNT OR VALUE RECEIVED DOES NOT EXCEED \$1,000
ADDRESS OF SOURCE OF INCOME 1010 Main Street, Mudville	<input checked="" type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000
BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY Carpenter	<input type="checkbox"/> AMOUNT OR VALUE RECEIVED EXCEEDS \$10,000
DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED Sale of automobile	

SCHEDULE E

Loans

You must report outstanding loans aggregating \$250 or more from reportable sources of income (as described in your disclosure category).

EXCEPTIONS: You need not disclose loans on initial or assuming office Statements. In addition, you are *not* required to disclose the following:

- Any loan from a commercial lending institution used to purchase your principal place of residence if the loan was made in the lender's regular course of business on terms available to members of the public without regard to official status.
- Any loan or loans from a commercial lending institution on which the aggregate amount owed does not exceed \$10,000 at any time during the period covered by the Statement, if the loan or loans were made in the lender's regular course of business on terms available to the public without regard to official status.
- Any indebtedness created as part of a retail installment or credit transaction made in the creditor's regular course of business on terms available to the public without regard to official status if the aggregate amount owed to the creditor does not exceed \$10,000 at any time during the period covered by the Statement.
- Any loan from spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any such person, except that a loan from any such person is reportable if the lender is acting as an intermediary or agent for any person not covered by this provision.

For each *reportable* loan, you must disclose the following:

- The name of the lender
- The address of the lender
- The business activity of the lender
- The security, if any, given for the loan
- The annual interest rate
- Whether the entire loan has been repaid
- The highest amount outstanding on the loan at any time during the reporting period.

EXAMPLE, SCHEDULE E

In 1977 you bought your home and financed it with a mortgage through a savings and loan on their standard terms and with a second mortgage which the seller, Joe Smith, took in place of a larger down payment. At the beginning of 1979 you owed Smith \$2,000 and during the year you pay him enough back so that at the end of the year you owe him \$800. Also during 1979 you bought a car which you financed through the dealer at his standard terms. The highest amount you owed him at any time during the year was \$7,000. You do not have to report the debt to the auto dealer since it arose from a retail installment or credit transaction and it did not aggregate more than \$10,000 at any time during the year, nor must you report the mortgage held by the savings and loan. Assuming that Joe Smith is in your disclosure category, you must report the debt to him at the highest amount owed during the period. Schedule E should therefore be completed as follows:

NAME OF LENDER Joe Smith		CHECK ONE <input type="checkbox"/> AMOUNT OWED DOES NOT EXCEED \$1,000 <input checked="" type="checkbox"/> AMOUNT OWED EXCEEDS \$1,000 BUT DOES NOT EXCEED \$10,000 <input type="checkbox"/> AMOUNT OWED EXCEEDS \$10,000	
ADDRESS OF LENDER 123 Main Street, Hometown			
BUSINESS ACTIVITY OF LENDER Real estate development			
SECURITY FOR LOAN Home <input type="checkbox"/> NONE	ENTIRE LOAN REPAID <input type="checkbox"/>	INTEREST RATE 8.75% <input type="checkbox"/> NONE	

SCHEDULE F Gifts

You must disclose gifts which have an aggregate value of \$25 or more received during the period covered by the Statement from reportable sources of income (as described in your disclosure category).

If you receive an item of value and do not provide anything of equal or greater value in return for that item, then you have received a gift. It is the acceptance of the gift, and not the ultimate use to which it is put, that imposes a reporting obligation on you. Thus you must report a gift received even if you never make use of it or give it away to other persons. If the exact amount of the gift is not known, you must make a good faith estimate of the item's fair market value. Listing the value of the gift as "over \$25" is not adequate disclosure.

EXCEPTIONS: You need not disclose gifts on initial or assuming office Statements. In addition, you are *not* required to disclose the following:

- Food, drink or lodging provided in an individual's home
- Gifts approximately equal in value exchanged between you and an individual other than a lobbyist, on holidays, birthdays or similar occasions
- Gifts of informational material, such as books, pamphlets, reports, calendars or periodicals
- Gifts from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, provided that a gift from any such person must be disclosed if the donor is acting as an agent or intermediary for a reportable source of income

- Gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes.
- With respect to an event at which you speak, serve on a panel, lead a seminar or provide similar services: free admission, food, beverages and similar nominal benefits provided at the event; reimbursement or advance for actual travel within California to and from the event; and reimbursement or advance for necessary accommodations provided directly in connection with the event.

For each reportable gift you must disclose the following:

- Name of the donor
- Address of the donor
- Business activity, if any, of the donor
- Date the gift was received
- Value of the gift
- Description of the gift

If you receive a gift through an intermediary, you must disclose the name, address and business activity of both the donor and the intermediary.

EXAMPLE, SCHEDULE F

Assume that the gifts were received from sources made reportable by your disclosure category. You received complimentary season tickets worth \$100 from your local professional baseball team which you kept. You also received a complimentary dinner certificate worth \$75 from a local restaurant. You must report the baseball tickets whether or not you used them. Schedule F should be completed as follows:

NAME OF DONOR	DATE(S) OF GIFT(S)
Mudville Nine	3-1-79
ADDRESS OF DONOR	VALUE OF GIFT(S)
700 Stadium Way, Mudville	\$100.00
BUSINESS ACTIVITY OF DONOR, IF ANY	DESCRIPTION OF GIFT(S)
Baseball team	Season tickets
NAME OF DONOR	DATE(S) OF GIFT(S)
Le Connoisseur Restaurant	9-15-79
ADDRESS OF DONOR	VALUE OF GIFT(S)
1100 Fifth Street, Mudville	\$75.00
BUSINESS ACTIVITY OF DONOR, IF ANY	DESCRIPTION OF GIFT(S)
Restaurant	Food & Drinks

SCHEDULE G Income of Business Entities

If you, your spouse or dependent children, individually or collectively, own a 10 percent or greater interest in a business entity, you must report the name of any source of income (as described in your disclosure category) which provides gross receipts to the business entity if your pro rata share of such gross receipts is \$10,000 or more.

If you believe that your clients' names are privileged under California law, you may request from the Commission an exemption from disclosure of their names.

EXAMPLE, SCHEDULE G

Assume that Super Hotel Corporation and Mudville Construction are reportable sources of income. You own one-third of Hank's Plumbing Supply which sold \$45,000 worth of equipment to Super Hotel Construction. You own 5 percent of California Lumber Company which sold \$200,000 worth of lumber to Mudville Construction Company. You need not report information concerning the California Lumber Company since you own less than a 10 percent interest in the business, but you must list Super Hotel Corporation since you own more than 10 percent of Hank's Plumbing Supply and your pro rata share of gross receipts from Super Hotel Corporation was more than \$10,000. Schedule G should be completed as follows:

NAME OF BUSINESS ENTITY	ADDRESS OF BUSINESS
Hank's Plumbing Supply	789 Tenth Street, Mudville
DESCRIPTION OF BUSINESS ENTITY	<input type="checkbox"/> PROVIDES LEGAL OR BROKERAGE SERVICES <input checked="" type="checkbox"/> DOES NOT PROVIDE LEGAL OR BROKERAGE SERVICES
wholesale plumbing supplier	

Names of clients and customers who provide income to the filer's business entity must be disclosed if the threshold set forth on the reverse side of this schedule are satisfied.

Super Hotel Corporation

SCHEDULE H

Employment and Management Positions in Business Entities

You must report the name of any business entity for which you are a director, officer, partner, trustee, employee or hold any position of management, if such information is required by your disclosure category. You must disclose the following:

- Name of the entity
- Address of the entity
- General description of the business activity of the entity
- Your position within the entity

EXAMPLE, SCHEDULE H

Assume that management positions held in the kind of business entities listed below are made reportable by your disclosure category. You are vice-president of General Widgets, Inc. Schedule H should be completed as follows:

NAME OF ENTITY	ADDRESS OF ENTITY
General Widgets, Inc.	639 Twelfth Street, Mudville
GENERAL DESCRIPTION OF BUSINESS ACTIVITY	YOUR JOB TITLE OR POSITION
manufactures widgets	Vice-President

APPENDIX I

Blind Trusts

According to FPPC Regulation 18235, if you have a direct, indirect or beneficial interest in a blind trust that meets certain standards, you are not required to disclose your pro rata share of the trust's assets acquired after the trust meets the standards or income derived from such assets. However, you must continue to disclose the assets originally transferred into the blind trust and income from such assets until the trustee notifies you that they have been replaced. To qualify as a blind trust:

1. The trustee must be a disinterested party and someone other than a member of your family;
2. The trustee must not disclose any information regarding the replacement assets, except for certain minimal tax information;
3. The trustee must be given complete discretion to manage the trust without consulting or notifying you; and
4. The trustee must be required to notify you of the date of disposition and value at disposition of any original investments or interests in real property.

If blind trust is revoked while you are a public official, or if you learn of any replacement assets of the trust, you must amend your most recent Statement, disclosing the date of revocation and/or the previously unreported information. When completing a Statement you must disclose the existence of the blind trust, its date of creation and name of the trustee. You must also attach a statement, signed by the trustee, indicating under penalty of perjury that no information regarding assets or income of the trust has been revealed to you other than information allowed under the regulation and that the trust conforms with the standards. If you wish to create a blind trust, we suggest that you and your trustee review FPPC Regulation 18235 together.

APPENDIX II

Reporting Interests in Real Property

As rental property is an "enterprise operated for profit" it is technically a business entity under Government Code Section 82005. This means that ownership of such property could be considered an investment within the meaning of Government Code Section 82034, leading to disclosure of rental property on Schedule A (Investments) as well as Schedule B (Interests in Real Property). To avoid such duplicative reporting, the FPPC has developed the following guidelines. Assume all the interests discussed below are made reportable by your disclosure category.

If you, your spouse and dependent children own all the equity in a piece of rental property, you should report the property on Schedule B, you share of the total amount of rents received from the property on Schedule D, and the name of any tenants who pay rents of which your share is \$10,000 or more on Schedule G. If you, your spouse and dependent children own 10% or more of a business entity, such as a partnership or joint venture, which owns rental property, you should report the business entity on Schedule A, the property on Schedule C, your share of the total amount of income received from the entity, including rents, on Schedule D, and the name of any clients who pay rents of which your share is \$10,000 or more on Schedule G.

If you, your spouse and dependent children own less than 10% of a business entity, such as a partnership or joint venture, which owns rental property, you should report the business entity on Schedule A and your share of income received from the entity, including rents, on Schedule D. You do not have to report either the rental property or the tenants.