

MEMO# 1725

February 21, 1990

INVESTMENT ADVISERS TO CALIFORNIA PUBLIC FUNDS REQUIRED TO DISCLOSE PERSONAL ASSETS

February 21, 1990 TO: INVESTMENT ADVISERS COMMITTEE NO. 4-90 RE: INVESTMENT ADVISERS TO CALIFORNIA PUBLIC FUNDS REQUIRED TO DISCLOSE PERSONAL ASSETS

On January 1, 1990, a California Fair Political Practices Commission's disclosure requirement for California state and local investment officers and consultants, such as investment managers, which have decision-making authority became effective. Persons subject to the new rules must disclose, generally, their assets in real property and securities and any income, loans, gifts and honoraria. Disclosure must be made on Form 721. Attached are the relevant law, rules and form. Under Section 82048 of the California Government Code, "public official" is defined to include "every member, officer, employee or consultant of a state or local government agency (emphasis added)." Chapter 7 of the California Fair Political Practices Commission's conflict of interest provisions states that the term "consultant" includes "any natural person who provides, under contract, information, advice, recommendation or counsel to a state or local government agency, provided, however, that "consultant" shall not include a person who: (A) Conducts research and arrives at conclusions with respect to his or her rendition of information, advice, recommendation or counsel independent of the control and direction of the agency or of any agency official, other than normal contract monitoring; and (B) Possesses no authority with respect to any agency decision beyond the rendition of information, advice, recommendation or counsel. A number of investment advisers to California state or local governmental funds have received notices to complete and return the disclosure document, Form 721. If you have any comments you would like the Institute to make to the Fair Political Practices Commission, please contact the undersigned by March 5, 1990. Robert L. Bunnan, Jr. Assistant General Counsel Attachments

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