

MEMO# 1930

May 18, 1990

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION TO HOLD MEETING ON ADVISER DISCLOSURE REQUIREMENTS

May 18, 1990 TO: INVESTMENT ADVISERS COMMITTEE NO. 15-90 RE: CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION TO HOLD MEETING ON ADVISER DISCLOSURE REQUIREMENTS _____ The California Fair Political Practices Commission (the "Commission") will hold a meeting on May 30, 1990 to discuss the disclosure requirements on certain public officials and consultants who have investment decision-making responsibility over California state and local funds. As we previously informed you, the Commission determined that employees of investment firms, brokerage houses, banks and similar private entities which contract with government agencies are not generally required to file a conflict of interest disclosure Form 721. (See Memorandum to Investment Advisers Committee No. 7-90, dated March 13, 1990.) However, the Commission has subsequently taken the position that certain employees of investment firms, banks and brokerage houses who make discretionary investment decisions for government funds are "consultants" required to file Form 730, which requires financial disclosure similar to Form 721. The Institute has prepared the attached comments to the Commission expressing its view that individuals who are excluded from filing Form 721 disclosure statements should also be excluded from filing Form 730 for the same reasons and because they are not "consultants" as currently defined by the California Political Reform Act. Please contact the undersigned by May 23, 1990 if you have any comments with regard to the attached letter. We will keep you informed of further developments. W. Richard Mason Assistant General Counsel Attachment