

MEMO# 2674

April 9, 1991

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION REVISES PROPOSED DISCLOSURE REQUIREMENTS

April 9, 1991 TO: INVESTMENT ADVISERS COMMITTEE NO. 15-91 RE: CALIFORNIA FAIR
POLITICAL PRACTICES COMMISSION REVISES PROPOSED DISCLOSURE REQUIREMENTS

As we previously informed you, the California Fair Political Practices Commission staff had determined that employees of investment advisory firms which contract with California public funds must make financial disclosures on Form 730 under the Fair Political Practices Act in their capacity as "designated employees" or "consultants." (See Memorandum to Investment Advisers Committee No. 29-90, dated September 6, 1990.) These employees would, however, be exempt from making financial disclosures as "public officials." The Commission staff has revised its proposed draft regulations in this matter. An optional provision in the newly proposed draft regulations would exempt from the definition of "designated employees" (1) employees of registered investment advisers and (2) employees of financial institutions regulated by the Federal government including banks, savings and loan associations, and "employees of companies registered pursuant to the Investment Company Act of 1940." The Commission staff scheduled a meeting on April 19, 1991 to discuss these regulations. Therefore, please provide me any comments you have on the proposed draft regulations no later than the date of the Investment Advisers Committee meeting, April 16, 1991. The Fair Political Practices Commission will address these regulations at its June, 1991 meeting. A copy of the staff's new proposals are attached. W. Richard Mason Assistant Counsel
Attachment