

State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 • • • 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance • • Administration • • Executive/Legal • • Enforcement
(916) 322-5662 322-5660 322-5901 322-6441

April 9, 1984

Marcia Karp
2112 Lakeview Drive
San Leandro, CA 94577

Re: Advice Letter No. A-84-073

Dear Mrs. Karp:

This letter is written in response to your questions concerning the disclosure provisions of the Political Reform Act.

FACTS

Your husband is a San Leandro City Councilman. He owns 50% of Soap and Chemical Co. in Oakland, California. He has several clients in San Leandro, each of whom provide the business with less than \$500 in income. You also indicated that, during the reporting period, you and your husband sold a car to a Fremont resident.

QUESTION #1

How should your husband report his investment interest in Soap and Chemical Co.?

ANSWER #1

Your husband should report his investment interest in Soap and Chemical Co. on Schedule A - Investments. He should indicate that he has a 10% or greater interest and state the value of the interest. On Schedule D - Income, he should report his pro rata share (50%) of the company's gross income. This reporting is required because Soap and Chemical Co. does business in your husband's jurisdiction. He will not be required to report his San Leandro clients on Schedule H - Income to Business Entities because they do not pay the company sufficient income. To be reportable on Schedule H, a client would have to provide your husband's company with \$20,000 or more in gross income.

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QUESTION #2

Is your husband required to report the purchaser of the automobile on Schedule D - Income?

ANSWER #2

The purchaser of the automobile is not reportable because he is a Fremont resident and is not in your husband's jurisdiction. (Gov. Code Section 82030(a).)

If you have any additional questions, please feel free to contact me at (916) 322-5901.

Very truly yours,

Janis Shank McLean

Janis Shank McLean
Counsel
Legal Division

JSM:plh

cc: Richard West, San Leandro City Clerk

March 22, 1984

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Mrs. David Karp
2112 Lakeview Drive
San Leandro, California 94577
(415) 483-1259

Ms Carla Wardlow
c/o Fair Political Practices Commission
P.O. Box 807
Sacramento, California 95804

Dear Ms Wardlow:

As per our conversation on Wed. March 21, 1984, I am requesting an official ruling on two points in regards to the Statement Of Economic Interests, Form 721.

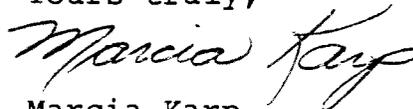
My husband is a councilmember in San Leandro and owns a 50% interest in a Soap & Chemical Co. in Oakland, California. He has several accounts in San Leandro that he sells to, each one less than \$500, for a total amount of less than \$1,000.

You instructed me to have him fill out Schedule A-Investments for his company because he does business in San Leandro and to report his ownership interest as greater than 10% and his total invested interest value in the business. You also said to have him fill out Schedule D-Income, for his total amount of income from the business. My understanding was that he is not to report the names, addresses or amounts of the seperate accounts he sells in the city.

Another issue I discussed with you was the fact that we sold a car to a Fremont, California resident. You stated that since the buyer was not in his jurisdiction he needn't file the income under Schedule D.

Please send an official ruling because the information you gave was at odds with the information given by the City Clerk of San Leandro. Many thanks for your time.

Yours truly,



Marcia Karp