

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

October 24, 1984

R. Michael Flick
1630 Alta Vista Drive
Vista, CA 92083

Re: Your Request for Advice
Our No. A-84-248

Dear Mr. Flick:

You have requested advice regarding possible reporting obligations relating to several "Blanket Notes" between yourself and certain business entities which provide for the terms and limits under which either you or the business entity may borrow from one another. At most, these notes appear to constitute the equivalent of a "line of credit" from you to the respective business entities and vice versa. In the past, we have advised that a line of credit is not reportable unless and until it is utilized.^{1/} Once it is utilized, it is reportable as a loan in the same manner as any other loan. See, Government Code Sections 82030 and 87207(a)(2) and (5). Consequently, if you did not utilize these lines of credit at any time, you need not report their mere existence.

However, if you did borrow some amount, then you are required to report the highest balance owed during each reporting period as well as the interest rate and the security, if any, for the loan. If one of your partnerships borrowed from you, that would not be reportable; however, any repayments on the loan are reportable income if they equal or exceed \$250 during any given reporting period. On the other hand, even if no payments have been made, the promise by the partnership to repay the loan from you constitutes a promise of income to you and can be the basis for disqualification under Section 87103(c).

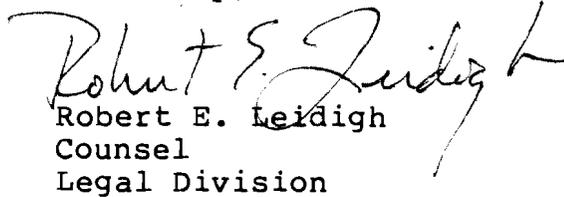
^{1/} A line of credit is "utilized" if it is drawn upon or if its existence is a factor in securing other credit, much the same as a guarantor or collateral on a loan.

R. Michael Flick
October 24, 1984
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Lastly, you have inquired regarding how you should go about amending your Statements of Economic Interests should that prove necessary. Any amendments should be made on the appropriate Supplemental Form 721 forms and must be signed by you, with the original forwarded to this office by your City Clerk, who will retain a copy in that office. We have provided several copies for your convenience should they prove necessary.

If you have any further questions regarding the advice in this letter, please contact the undersigned at (916) 322-5901.

Sincerely,


Robert E. Leidigh
Counsel
Legal Division

REL:plh
Enclosures

State of California



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October 3, 1984

R. Michael Flick
1630 Alta Vista Drive
Vista, CA 92083

Re: Your Request for Advice,
Our Advice No. A-84-248

Dear Mr. Flick:

Your letter requesting advice under the Political Reform Act has been referred to Robert E. Leidigh, an attorney in the Legal Division of the Fair Political Practices Commission. If you have any questions about your advice request, you may contact this attorney directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,


Barbara A. Milman
General Counsel

BAM:plh

BLANKET NOTE

Manor Investments Unit I, Manor Properties Ltd., and R. Michael Flick may loan or borrow funds from one to the other during the life of the Limited Partnership. Said loan amounts to each entity will not exceed \$20,000 at any one time. The amounts will be paid in full during the life of the Limited Partnership with simple interest accruing at the rate of 10% percent per annum. Said accrued interest to all parties will be paid at the time the Limited Partnership is dissolved.

MANOR INVESTMENTS UNIT I, a Limited Partnership

By R. Michael Flick
Manor Properties Ltd., General Partner

Aug 1, 1980
Date

MANOR PROPERTIES LTD.

By R. Michael Flick
R. Michael Flick, General Partner

Aug 1, 1980
Date

R. Michael Flick
R. Michael Flick, an individual

Aug 1, 1980
Date

BLANKET NOTE

Monte Vista Manor, Manor Properties Ltd., and R. Michael Flick may loan or borrow funds from one to the other during the life of the Limited Partnership. Said loan amounts to each entity will not exceed \$20,000 at any one time. The loans will be paid in full during the life of the Limited Partnership with simple interest accruing at the rate of 10% per annum. Said accrued interest to all parties will be paid at the time the Limited Partnership is dissolved.

MONTE VISTA MANOR, a Limited Partnership

By R. Michael Flick
Manor Properties Ltd, General Partner

3-30-77
Date

MANOR PROPERTIES LTD.

By R. Michael Flick
R. Michael Flick, General Partner

3-30-77
Date

R. Michael Flick
R. Michael Flick, Individual

3-30-77
Date

BLANKET NOTE

North Sante Fe Manor, Manor Properties Ltd., and R. Michael Flick may loan or borrow funds from one to the other during the life of the Limited Partnership. Said loan amounts to each entity will not exceed \$50,000 at any one time. The loans will be paid in full during the life of the Limited Partnership with simple interest accruing at the rate of 10% per annum. Said accrued interest to all parties will be paid at the time the Limited Partnership is dissolved.

NORTH SANTE FE MANOR, A Limited Partnership

By R. Michael Flick
Manor Properties Ltd., General Partner

May 1, 1978
Date

MANOR PROPERTIES LTD.

By R. Michael Flick
R. Michael Flick, General Partner

May 1, 1978
Date

R. Michael Flick
R. Michael Flick, an individual

May 1, 1978
Date

BLANKET NOTE

El Dorado Manor, Manor Properties Ltd., and R. Michael Flick may loan or borrow funds from one to the other during the life of the Limited Partnership. Said loan amounts to each entity will not exceed \$75,000 at any one time. The loans will be paid in full during the life of the Limited Partnership with simple interest accruing at the rate of 10% per annum. Said accrued interest to all parties will be paid at the time the Limited Partnership is dissolved.

EL DORADO MANOR, a Limited Partnership

By R. Michael Flick
Manor Properties Ltd, General Partner

12-23-77
Date

MANOR PROPERTIES LTD.

By R. Michael Flick
R. Michael Flick, General Partner

12-23-77
Date

R. Michael Flick
R. Michael Flick, an Individual

12-23-77
Date