

Memorandum

To : Vance Raye
Office of the Governor

Date : March 18, 1987

From : FAIR POLITICAL PRACTICES COMMISSION
Diane M. Griffiths, General Counsel

Subject: Reporting Inherited Stock
Our File No. A-87-087

This memorandum will confirm our telephone conversation of March 13, 1987, concerning reporting of stock inherited by a public official.

We have previously advised that stocks must be reported on an official's statement of economic interests as soon as (1) the will is in probate, and (2) probate proceedings have proceeded to a stage where the official is able to determine the types of securities he or she is to inherit and the value of those securities. If probate proceedings have not reached this stage, an official need not report the interests involved. (See Advice Letter to Hon. Malcolm M. Lucas, No. A-84-054, copy attached.)

At the time we spoke, you were of the belief that the official on whose behalf you were inquiring had not been named in the will at issue. The primary devisee renounced at least a portion of the will's terms. Consequently, the affected official became entitled to take a portion of the primary devisee's bequest. Under these circumstances, the official may not have been able to determine the type and value of the securities he or she would inherit until issuance of a court order providing this information. If that is the case, the official may not have been required to report the stock until that time.

Subsequent to our conversation, I located the log of former General Counsel, Barbara Milman, summarizing her April 1984 conversation with you on this subject. At that time, Ms. Milman advised you that the official must report inherited property when it becomes clear what property he or she will inherit.

DMG:plh

State of California



Fair Political Practices Commission

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Technical Assistance •• Administration •• Executive/Legal •• Enforcement •• Statements of Economic Interest
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March 13, 1984

The Honorable Malcolm M. Lucas
 United States District Judge
 United States Courthouse
 312 North Spring Street
 Los Angeles, CA 90012

Dear Judge Lucas:

Dan Stanford asked me to respond to your questions concerning the filing of your Assuming Office Statement of Economic Interests. You will be required to file your Statement within ten days of your nomination to the Supreme Court on March 12, 1984. Because this is an Assuming Office Statement, you are only required to complete Schedule A - Investments, Schedule B - Interests in Real Property, and Schedule C - Interests in Real Property and Investments Held by Business Entities or Trusts. However, in the future, you will file Annual Statements on which you must complete all of the schedules (Schedules A-H). Once your Statement is complete, the original should be filed with the filing officer of the Supreme Court at the following address:

Supreme Court of California
 Laurence P. Gill
 Clerk of the Court
 4250 State Building
 San Francisco, CA 94102

You stated during your telephone conversation with Chairman Stanford that you recently inherited various stocks and bonds. The will is currently in probate and you asked whether you should report these investments on your Statement. If the probate proceedings are at a stage where you are unable to determine the types or values of the investments that you will be inheriting, you are not required to report these interests. However, if you do possess this information concerning the investments, they should be reported. This disclosure will uphold the purpose of the Political Reform Act's reporting

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requirements, which is to make the public aware of it's
officials' financial interests, as these interests may affect
their governmental decision making.

If I can be of any help to you, please feel free to call me
at 916/322-5901.

Very truly yours,

Janis Shank McLean
Janis Shank McLean
Counsel, Legal Division

JSM:km
Enclosures