

**California Fair Political Practices Commission
MEMORANDUM**

To: Chair Ravel, Commissioners Eskovitz, Garrett, Montgomery and Rotunda
From: John W. Wallace, Acting Executive Director
Re: Executive Director's Report
Date: August 31, 2012

1. Request to Reopen Committee

The Jack Scott for State Senate Committee 2004 (ID #1245212) – A request to reopen the committee was granted pursuant to Regulation 18404.1 on August 29, 2012. The committee was reopened to accept misdirected contributions that the candidate discovered. The candidate will dispose of the funds as surplus funds consistent with Section 89519.

2. Regulation 18740 Exemption Request and Request for Opinion; *In re Rosenstiel*

Paul Rosenstiel was appointed to the California State Teachers' Retirement System (CalSTRS) and assumed office on November 30, 2011.

In his private capacity, Mr. Rosenstiel is employed by E.J. De La Rosa and Co., Inc., a municipal bond investment bank as a principal and partner of the firm. He manages the San Francisco office of De La Rosa & Co. Mr. Rosenstiel, in connection with his filing of his assuming office statement for CalSTRS, has requested exemption from the Act's general requirement that a member of CalSTRS disclose every source of income on his Statement of Economic Interests, Form 700, based on the confidentiality obligations imposed on him by Federal Law.

Under procedures established in Regulation 18740, the exemption request was tentatively approved by the Executive Director and, as required under the regulation, is now presented to the Commission for final determination. The Commission may ratify the Executive Director's tentative decision by issuing an opinion, *In re Rosenstiel*, or may order disclosure by Mr. Rosenstiel.

A Commission memorandum and supporting documents concerning the request are attached.

**Fair Political Practices Commission
MEMORANDUM**

To: Chair Ravel, Commissioners Eskovitz, Garrett, Montgomery, and Rotunda
From: John W. Wallace, Acting Executive Director
Subject: Opinion/Exemption Request of Paul Rosenstiel
Date: August 31, 2012

Background

Paul Rosenstiel was appointed to the California State Teachers' Retirement System (CalSTRS) and assumed office on November 30, 2011. In his private capacity, Mr. Rosenstiel is employed by E. J. De La Rosa and Co., Inc, a municipal bond investment bank as a principal and partner of the firm. He manages the San Francisco office of De La Rosa & Co.

On January 6, 2012, Mr. Rosenstiel filed an assuming office Statement of Economic Interests, Form 700, but while he disclosed his underwriter clients and institutional investor clients, he declined to report *individuals* who are investors through the company. Instead, consistent with Regulation 18740, he attached a brief statement as follows:

"De La Rosa & Co. sells bonds to both individual and institutional customers. I am not disclosing the identity of individual customers. Pursuant to Regulation s-p of the United States Securities and Exchange Commission privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act, broker-dealers (such as De La Rosa & Company) are prohibited from disclosing any non-public personal information about their individual customers without those customers' express permission. Disclosing that someone is a customer of De La Rosa & Co. and purchased an amount of bonds that would produce a \$10,000 proportional share for me is non-public personal information that De La Rosa & Co. is prohibited from disclosing. To the best of my knowledge I have not and will not make, participate in making, or in any way attempt to use an official position to influence a governmental decision when to do so constituted or would constitute a violation of Government Code section 87100."

Under the procedure established by Regulation 18740, the matter was presented to the Executive Director as an "exemption request." After review of the law and facts, I concluded that this exemption request had merit. However, the Commission is required to approve any exemption, and Regulation 18740(e) provides that the official's explanation for non-disclosure, if approved, shall be treated as an opinion request.¹

¹ However, the procedures generally governing the issuance of Commission opinions, as set forth in Regulations 18320 - 18324, do not apply to opinions issued pursuant to Regulation 18740.

This memorandum outlines the reasoning behind my conclusion that Mr. Rosenstiel's exemption request should be granted.

Analysis

1. Regulation 18740

When reporting an economic interest in a source of income that is a business entity under the Act's disclosure provisions, Section 87207(b) requires the disclosure of the "name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from that person was equal to or greater than ten thousand dollars (\$10,000) during the calendar year." However, Regulation 18740 provides:

"An official or candidate need not disclose under Government Code section 87207(b) the name of a person who paid fees or made payments to a business entity if disclosure of the person's name would violate a legally recognized privilege under California law.² Such a person's name may be withheld in accordance with the following procedure:

"(a) An official or candidate who believes that a person's name is protected by a legally recognized privilege may decline to report the name, but shall file with his or her Statement of Economic Interests an explanation for such nondisclosure. The explanation shall separately state for each undisclosed person the legal basis for assertion of the privilege and, as specifically as possible without defeating the privilege, facts which demonstrate why the privilege is applicable.

"(b) With respect to each undisclosed person, the official or candidate shall state that to the best of his or her knowledge he or she has not and will not make, participate in making, or in any way attempt to use an official position to influence a governmental decision when to do so constituted or would constitute a violation of Government Code section 87100."

The comment to Regulation 18740 provides illustrations of the various California privileges.

"A person's name is not ordinarily protected from disclosure by the law of privilege in California. Under current law, for example, a name is protected by the attorney client privilege only when facts concerning an attorney's

² Note that this exemption applies only to disclosure. Nothing herein would allow Mr. Rosenstiel to make, participate in making, or influence a decision affecting his source of income whether reported or exempted from reporting by Regulation 18740.

representation of an anonymous client are publicly known and those facts, when coupled with disclosure of the client's identity, might expose the client to an official investigation or to civil or criminal liability. [Citations omitted.] A patient's name has been protected by the physician patient privilege only when disclosure of the patient's name would also reveal the nature of the treatment received by the patient because, for example, the physician is recognized as a specialist. [Citations omitted.] The names of business customers are not protected by the trade secret privilege unless, because of surrounding circumstances, disclosure of a particular customer's identity would also result in disclosure of special needs and requirements of the customer that are not generally known to competitors. [Citations omitted]."

2. Federal Privacy Law

Mr. Rosenstiel's request for exemption does not fit neatly into the exception in Regulation 18740 for two reasons.

First, the basis for his request is that federal securities law prohibits the disclosure of non-public information accumulated by the banking industry. In reviewing the federal law, I found that the Gramm-Leach-Bliley Act (GLBA) at 15 USC § 6802 states:

"(a) Notice requirements. Except as otherwise provided in this subtitle, a financial institution may not, directly or through any affiliate, disclose to a nonaffiliated third party any nonpublic personal information, unless such financial institution provides or has provided to the consumer a notice that complies with section 503 [15 USCS § 6803].

"(b) Opt out.

"(1) In general. A financial institution may not disclose nonpublic personal information to a nonaffiliated third party unless--

"(A) such financial institution clearly and conspicuously discloses to the consumer, in writing or in electronic form or other form permitted by the regulations prescribed under section 504 [15 USCS § 6804], that such information may be disclosed to such third party;

"(B) the consumer is given the opportunity, before the time that such information is initially disclosed, to direct that such information not be disclosed to such third party; and

"(C) the consumer is given an explanation of how the consumer can

exercise that nondisclosure option.

The federal statute does provide specific exceptions. The exception dealings specifically with state regulations is in 15 USC § 6802(e)(8):

“(e) General exceptions. Subsections (a) and (b) shall not prohibit the disclosure of nonpublic personal information--

“(8) to comply with Federal, State, or local laws, rules, and other applicable legal requirements; to comply with a properly authorized civil, criminal, or regulatory investigation or subpoena or summons by Federal, State, or local authorities; or to respond to judicial process or government regulatory authorities having jurisdiction over the financial institution for examination, compliance, or other purposes as authorized by law.”

While the exception in subdivision (e)(8) appears to be written broadly enough to apply to the filing of a Form 700, it has been construed narrowly by the courts. In *Ameriquest v. Office of the Attorney General* (2010) 241 P.3d 1245, 1254, the Washington Supreme Court stated:

“To understand the meaning of the exception in § 6802(e)(8), one has to read it together with the introduction to subsection (e) this way: ‘Subsections (a) and (b) of this section shall not prohibit the disclosure of nonpublic personal information ... to comply with Federal, State, or local laws.’ 15 U.S.C. §6802(e)(8). And subsections (a) and (b), in turn, are the notice and opt-out requirements imposed on financial institutions. 15 U.S.C. § 6802(a)-(b). Therefore, the exceptions enumerated in § 6802(e) are not general exceptions available to whoever holds protected information. Rather, the exceptions describe the limited circumstances under which a financial institution may bypass the notice and opt-out provisions. Thus, the § 6802(e) exceptions do not give nonaffiliated third parties an unrestricted escape hatch from the nondisclosure rule of § 6802(c).”

In the *Ameriquest* case the Washington Attorney General’s Office (AGO) received “nonpublic personal information” from Ameriquest under the exception for “a properly authorized civil, criminal, or regulatory investigation.” (15 U.S.C. § 6802(e)(8); 16 C.F.R. § 313.15(a)(7)(ii).) Subsequently, a private citizen gave the AGO a request for “[a]ll records relating to the investigation of Ameriquest” under the state’s Public Records Act. The court concluded.

“Under the circumstances of this case, names, addresses, and phone

numbers meet the definition of 'personally identifiable financial information.' Not only are these bits of information personal identifiers, but also their disclosure by the AGO would impermissibly reveal the fact that the individual is or has been Ameriquest's customer. Any information that meets the definition of 'nonpublic personal information' cannot be recast as publicly available information by the AGO."

In light of this federal statute, Mr. Rosenstiel filed his Form 700 disclosing all his economic interests (such as underwriter clients and institutional investor clients), but did not report *individuals* who are investors through his company. As noted above, Mr. Rosenstiel stated on his Form 700:

"De La Rosa & Co. sells bonds to both individual and institutional customers. I am not disclosing the identity of individual customers. Pursuant to Regulation s-p of the United States Securities and Exchange Commission privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act, broker-dealers (such as De La Rosa & Company) are prohibited from disclosing any non-public personal information about their individual customers without those customers' express permission. Disclosing that someone is a customer of De La Rosa & Co. and purchased an amount of bonds that would produce a \$10,000 proportional share for me is non-public personal information that De La Rosa & Co. is prohibited from disclosing. To the best of my knowledge I have not and will not make, participate in making, or in any way attempt to use an official position to influence a governmental decision when to do so constituted or would constitute a violation of Government Code section 87100."

The GLBA is enforced administratively by the Federal Trade Commission and Section 6823 of the GLBA provides for criminal penalties under limited circumstances.

I have concluded that we should apply Regulation 18740 to the federal privacy rule and ask the Commission to ratify that decision.

4. Federal Preemption

An alternative way to analyze Mr. Rosenstiel's request for exemption is to treat it as a question of preemption. The federal law establishes a class of investor information that may not be disclosed. In determining whether the federal law must be recognized under California law, we turn to the doctrine of preemption. Preemption is rooted in the Supremacy Clause of the U.S. Constitution, which provides that the "Constitution, and the Laws of the United States which shall be made in Pursuance thereof ... shall be the supreme Law of the Land." (U.S. Const. Art. VI, Cl. 2.) Federal law preempts state law under three circumstances: "1) express preemption, which is achieved when Congress so stat[es] in express terms' its intention to preempt state law, 2) field preemption, which is achieved when Congress legislates in a particular area in a

'sufficiently comprehensive [way] to make reasonable the inference that Congress "left no room" for supplementary state regulation,' and 3) conflict preemption, which is achieved when a state law actually conflicts with a federal law, even where Congress has not preempted all state law in that area. [Citations omitted.]" (*Kehm Oil Company v. Texaco, Inc.* (2008) 537 F.3d 290, 298.)

Title 15 United States Code § 6807 provides:

"(a) In general. This subtitle and the amendments made by this subtitle shall not be construed as superseding, altering, or affecting any statute, regulation, order, or interpretation in effect in any State, except to the extent that such statute, regulation, order, or interpretation is inconsistent with the provisions of this subtitle, and then only to the extent of the inconsistency.

"(b) Greater protection under State law. For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this subtitle if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this subtitle and the amendments made by this subtitle, as determined by the Bureau of Consumer Financial Protection, after consultation with the agency or authority with jurisdiction under section 505(a) [15 USCS § 6805(a)] of either the person that initiated the complaint or that is the subject of the complaint, on its own motion or upon the petition of any interested party."

Prohibiting the disclosure of specific investor information expressly preempts state laws except in limited circumstances that do not appear applicable for purposes of disclosure under the Act. Thus, the federal law establishes a category of privileged information that, pursuant to the doctrine of preemption, must be recognized under California Law.

Other Issues for the Commission

1. Scope of the Exemption

As noted above Mr. Rosenstiel's facts do not fit squarely into the regulation. First, as discussed above, was the matter of federal versus state law. In addition, the privacy law is not an actual communication privilege.

Moreover, the claimed exemption was not based on a "communication" privilege but a federal privacy law. In applying Regulation 18740 to the present facts, while I was mindful that generally communication privileges under California law protect the information, not the name of a client or amount paid as described in the comment to the regulation, since this claim for exemption was based on a federal law that seeks to protect the precise information that we are requiring to be disclosed, I concluded the name and amount paid were protected.

2. Opting Out

The federal law allows the release of the information after informing clients and giving them an opportunity to opt out of the disclosure. The Commission could request that Mr. Rosenstiel distribute such a notice and report those sources that did not choose opt out.

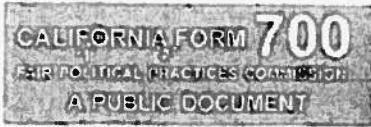
While I considered the "opt out" language in the federal regulation, I equated it to the ability of an attorney to seek a waiver of a privilege from the holder of the privilege. We have not, to the best of my knowledge, required that filers first seek waivers. Thus, I did not conclude in my preliminary decision that such a requirement applied. The Commission, however, could require such a step as a condition to permit the exemption for those sources that actually chose to opt out.

Conclusion and Recommendation

As noted above, I have made a preliminary determination that Mr. Rosenstiel's Form 700 that was filed without reporting the individual investors was appropriate under the exception in Regulation 18740. While there is a loss to the public by not having the disclosure, Mr. Rosenstiel would still be prohibited by Section 87100 from making, participating in making, or influencing any decision that will materially affect a source of income, disclosed, or not disclosed.

Option 1: If the Commission agrees with my analysis, the Commission can adopt the proposed opinion, with any modifications desired.

Option 2: If the Commission concludes that Mr. Rosenstiel's exemption request should be denied, the Commission can order him to amend the Form 700 as provided under Regulation 18740(e) and report all the sources of income in question. A draft Order to this effect is provided attached.



STATEMENT OF ECONOMIC INTERESTS

Date Received Official Use Only

RECEIVED FAIR POLITICAL PRACTICES COMMISSION COVER PAGE

RECEIVED

Please type or print in ink

NAME OF FILER (LAST) 2012 JAN 06 PM 1:17 (FIRST) (MIDDLE) Andrew

Rosenstiel Paul

CALSTRS LEGAL OFFICE

1. Office, Agency, or Court

Agency Name California State Teachers' Retirement System
Division, Board, Department, District, if applicable Teachers' Retirement Board
Your Position Board Member

If filing for multiple positions, list below or on an attachment

Agency: Position:

2. Jurisdiction of Office (Check at least one box)

State, Multi-County, City of, Judge (Statewide Jurisdiction), County of, Other

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2010, through December 31, 2010.
Assuming Office: Date 11/30/11
Leaving Office: Date Left
Candidates: Election Year Office sought, if different than Part 1:

4. Schedule Summary

Check applicable schedules or "None."
Schedule A-1 - Investments - schedule attached
Schedule A-2 - Investments - schedule attached
Schedule B - Real Property - schedule attached
Schedule C - Income, Loans, & Business Positions - schedule attached
Schedule D - Income - Gifts - schedule attached
Schedule E - Income - Gifts - Travel Payments - schedule attached
None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
CalSTRS, 100 Waterfront Place West Sacramento CA 95605
DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
(415) 495-8863 paul@rosenstiel.net

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed December 29, 2011 (month, day, year)

Signature (File the originally signed statement with your filing official)

SCHEDULE A-1

Investments

Stocks, Bonds, and Other Interests

(Ownership Interest is Less Than 10%)

Do not attach brokerage or financial statements.

CALIFORNIA FORM 700

FAIR POLITICAL PRACTICES COMMISSION

Name

Paul Rosenstiel

NAME OF BUSINESS ENTITY
See attached

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 _____ / _____ / 10 _____ / _____ / 10
 ACQUIRED DISPOSED

NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 _____ / _____ / 10 _____ / _____ / 10
 ACQUIRED DISPOSED

NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 _____ / _____ / 10 _____ / _____ / 10
 ACQUIRED DISPOSED

NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 _____ / _____ / 10 _____ / _____ / 10
 ACQUIRED DISPOSED

NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 _____ / _____ / 10 _____ / _____ / 10
 ACQUIRED DISPOSED

NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
 _____ / _____ / 10 _____ / _____ / 10
 ACQUIRED DISPOSED

Comments: _____

SCHEDULE A-2
Investments, Income, and Assets
of Business Entities/Trusts
(Ownership Interest Is 10% or Greater)

1. BUSINESS ENTITY OR TRUST

E. J. De La Rosa & Co., Inc.

Name
11866 Wilshire Blvd., Los Angeles, CA 90024

Address (Business Address Acceptable)

Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF BUSINESS ACTIVITY
Municipal bond investment bank

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:

\$2,000 - \$10,000 _____/_____/_____
 \$10,001 - \$100,000 _____/_____/_____
 \$100,001 - \$1,000,000 _____/_____/_____
 Over \$1,000,000

ACQUIRED DISPOSED

NATURE OF INVESTMENT

Sole Proprietorship Partnership **S Corp** _____
Other

YOUR BUSINESS POSITION **Principal**

2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME IN THE ENTITY/TRUST)

\$0 - \$499 \$10,001 - \$100,000
 \$500 - \$1,000 **OVER \$100,000**
 \$1,001 - \$10,000

3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attaching separate sheet if necessary)

See attached

4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST

Check one box:

INVESTMENT **REAL PROPERTY**

Sublease of office space to True Capital Management

Name of Business Entity or
Street Address or Assessor's Parcel Number of Real Property

101 Montgomery St., Suite 2100, San Francisco, CA

Description of Business Activity or
City or Other Precise Location of Real Property

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:

\$2,000 - \$10,000 _____/_____/_____
 \$10,001 - \$100,000 _____/_____/_____
 \$100,001 - \$1,000,000 _____/_____/_____
 Over \$1,000,000

ACQUIRED DISPOSED

NATURE OF INTEREST

Property Ownership/Deed of Trust Stock Partnership

Leasehold 2 Other _____
Via remaining

Check box if additional schedules reporting investments or real property are attached

Comments: _____

1. BUSINESS ENTITY OR TRUST

Rosenstiel & Masaoka 1997 Trust

Name

Address (Business Address Acceptable)

Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:

\$2,000 - \$10,000 _____/_____/_____
 \$10,001 - \$100,000 _____/_____/_____
 \$100,001 - \$1,000,000 _____/_____/_____
 Over \$1,000,000

ACQUIRED DISPOSED

NATURE OF INVESTMENT

Sole Proprietorship Partnership _____
Other

YOUR BUSINESS POSITION _____

2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME IN THE ENTITY/TRUST)

\$0 - \$499 \$10,001 - \$100,000
 \$500 - \$1,000 **OVER \$100,000**
 \$1,001 - \$10,000

3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attaching separate sheet if necessary)

None

4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST

Check one box:

INVESTMENT REAL PROPERTY

See Attached

Name of Business Entity or
Street Address or Assessor's Parcel Number of Real Property

Description of Business Activity or
City or Other Precise Location of Real Property

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:

\$2,000 - \$10,000 _____/_____/_____
 \$10,001 - \$100,000 _____/_____/_____
 \$100,001 - \$1,000,000 _____/_____/_____
 Over \$1,000,000

ACQUIRED DISPOSED

NATURE OF INTEREST

Property Ownership/Deed of Trust Stock Partnership

Leasehold _____ Other _____
Via remaining

Check box if additional schedules reporting investments or real property are attached

SCHEDULE C

Income, Loans, & Business Positions

(Other than Gifts and Travel Payments)

CALIFORNIA FORM 700 <small>FAIR POLITICAL PRACTICES COMMISSION</small>
Name <div style="text-align: right; padding-right: 20px;">Paul Rosenstiel</div>

1. INCOME RECEIVED

NAME OF SOURCE OF INCOME
 Chinese Community Healthcare Association

ADDRESS (Business Address Acceptable)
 445 Grant St., Suite 300, San Francisco, CA 94108

BUSINESS ACTIVITY, IF ANY, OF SOURCE
 Independent Practice Association

YOUR BUSINESS POSITION
 Member, Advisory Board

GROSS INCOME RECEIVED
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

CONSIDERATION FOR WHICH INCOME WAS RECEIVED
 Salary Spouse's or registered domestic partner's income
 Loan repayment Partnership
 Sale of _____
(Property, car, boat, etc.)
 Commission or Rental Income, list each source of \$10,000 or more

Other Attending Advisory Board meetings
(Describe)

1. INCOME RECEIVED

NAME OF SOURCE OF INCOME
 Nolo Press

ADDRESS (Business Address Acceptable)
 950 Parker St., Berkeley, CA 94710

BUSINESS ACTIVITY, IF ANY, OF SOURCE
 Publisher

YOUR BUSINESS POSITION
 Author

GROSS INCOME RECEIVED
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

CONSIDERATION FOR WHICH INCOME WAS RECEIVED
 Salary Spouse's or registered domestic partner's income
 Loan repayment Partnership
 Sale of _____
(Property, car, boat, etc.)
 Commission or Rental Income, list each source of \$10,000 or more

Other _____
(Describe)

2. LOANS RECEIVED OR OUTSTANDING DURING THE REPORTING PERIOD

* You are not required to report loans from commercial lending institutions, or any indebtedness created as part of a retail installment or credit card transaction, made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER* _____

ADDRESS (Business Address Acceptable) _____

BUSINESS ACTIVITY, IF ANY, OF LENDER _____

HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000
 \$1,001 - \$10,000
 \$10,001 - \$100,000
 OVER \$100,000

INTEREST RATE _____% None

TERM (Months/Years) _____

SECURITY FOR LOAN
 None Personal residence
 Real Property _____
Street address

City
 Guarantor _____
 Other _____
(Describe)

Comments: _____

SCHEDULE D
Income - Gifts

▶ NAME OF SOURCE
Assured Guaranty
 ADDRESS (Business Address Acceptable)
One Market, 1550 Spear Tower, San Francisco, CA
 BUSINESS ACTIVITY, IF ANY, OF SOURCE
Bond insurer

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
09 / 15 / 11	\$ 58	Dinner
___ / ___ / ___	\$ _____	_____
___ / ___ / ___	\$ _____	_____

▶ NAME OF SOURCE
Public Policy Institute of California
 ADDRESS (Business Address Acceptable)
500 Washington St., San Francisco, CA 94111
 BUSINESS ACTIVITY, IF ANY, OF SOURCE
Policy research

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
12 / 06 / 10	\$ 64	Dinner
03 / 16 / 11	\$ 10	Lunch
06 / 30 / 11	\$ 15	Lunch

▶ NAME OF SOURCE
Bob Feyer
 ADDRESS (Business Address Acceptable)
405 Howard St., San Francisco, CA 94105
 BUSINESS ACTIVITY, IF ANY, OF SOURCE
Attorney

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
10 / 09 / 11	\$ 130	Football ticket
___ / ___ / ___	\$ _____	_____
___ / ___ / ___	\$ _____	_____

▶ NAME OF SOURCE
 ADDRESS (Business Address Acceptable)
 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___ / ___ / ___	\$ _____	_____
___ / ___ / ___	\$ _____	_____
___ / ___ / ___	\$ _____	_____

▶ NAME OF SOURCE
 ADDRESS (Business Address Acceptable)
 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___ / ___ / ___	\$ _____	_____
___ / ___ / ___	\$ _____	_____
___ / ___ / ___	\$ _____	_____

▶ NAME OF SOURCE
 ADDRESS (Business Address Acceptable)
 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___ / ___ / ___	\$ _____	_____
___ / ___ / ___	\$ _____	_____
___ / ___ / ___	\$ _____	_____

Comments: _____

SCHEDULE E
Income - Gifts
Travel Payments, Advances,
and Reimbursements

CALIFORNIA FORM 700 <small>FAIR POLITICAL PRACTICES COMMISSION</small>
Name <p align="center">Paul Rosenstiel</p>

- **Reminder - you must mark the gift or income box.**
- **You are not required to report income from government agencies.**
- **You may mark the box 501(c)(3) for a travel payment received from a nonprofit 501(c)(3) organization. When the payment is a gift it is reportable but is not subject to the \$420 gift limit.**

▶ **NAME OF SOURCE**
 Public Policy Institute of California

ADDRESS (Business Address Acceptable)
 500 Washington St.

CITY AND STATE
 San Francisco, CA 94111

BUSINESS ACTIVITY, IF ANY, OF SOURCE 501 (c)(3)
 Policy research

DATE(S): 10/13/11 - 10/13/11 AMT. \$ 433
(if applicable)

TYPE OF PAYMENT: (must check one) Gift Income

DESCRIPTION: Travel to Statewide Leadership Council meeting in Los Angeles

▶ **NAME OF SOURCE**

ADDRESS (Business Address Acceptable)

CITY AND STATE

BUSINESS ACTIVITY, IF ANY, OF SOURCE 501 (c)(3)

DATE(S): _____ AMT. \$ _____
(if applicable)

TYPE OF PAYMENT: (must check one) Gift Income

DESCRIPTION: _____

▶ **NAME OF SOURCE**

ADDRESS (Business Address Acceptable)

CITY AND STATE

BUSINESS ACTIVITY, IF ANY, OF SOURCE 501 (c)(3)

DATE(S): _____ AMT. \$ _____
(if applicable)

TYPE OF PAYMENT: (must check one) Gift Income

DESCRIPTION: _____

▶ **NAME OF SOURCE**

ADDRESS (Business Address Acceptable)

CITY AND STATE

BUSINESS ACTIVITY, IF ANY, OF SOURCE 501 (c)(3)

DATE(S): _____ AMT. \$ _____
(if applicable)

TYPE OF PAYMENT: (must check one) Gift Income

DESCRIPTION: _____

Comments: _____

Paul Rosenstiel
 Form 700
 Assuming Office Statement
 December 30, 2011
 Schedule A-1

Additional Investments Reported in Answer to Question 4

Name of Business Entity	Description of Business Activity	Fair Market Value			Nature of Interest	Partnership Income Received
		\$2,000 to \$10,000	\$10,001 to \$100,000	\$100,001 to \$1,000,000		
Abbott Laboratories	Pharmaceuticals	x			Stock	\$0 - \$499
Altria Group	Consumer Products		x		Stock	
American General Financial	Finance		x		Other - Corporate Bond	
Anadarko Petroleum	Petroleum		x		Other - Corporate Bond	
Anneky Capital Management	Real Estate	x			Stock	
Anworth Mortgage	Real Estate		x		Other - REIT	
AT&T	Telecommunications		x		Other - Corporate Bond	
AT&T	Telecommunications		x		Stock	
Atlantic Power Corp	Energy		x		Stock	
BAC Capital Trust	Finance	x			Stock	
Bank of America	Finance		x		Other - Corporate Bond	
Bristol-Myers Squibb	Pharmaceuticals		x		Stock	
Brookfield Infrastructure Partners	Utility	x			Partnership	x
Chevron Corp	Petroleum		x		Stock	
Cia de Hebdas PFD ADR	Consumer Products	x			Stock	
Conoco Phillips	Petroleum		x		Stock	
Copano Energy LLC	Energy	x			Stock	
Deutsche Bank	Finance	x			Stock	
Du Pont	Chemicals	x			Stock	
Duke Energy Corp	Energy		x		Other - Corporate Bond	
Edison Mission	Utility	x			Stock	
Emerson Electric	Energy	x			Other - Corporate Bond	
Enterprise PRD Partners LP	Energy	x			Partnership	x
Etrade Financial	Finance		x		Other - Corporate Bond	
Frontier Communications	Telecommunications		x		Other - Corporate Bond	
General Electric Capital	Finance		x		Other - Corporate Bond	
General Motors Acceptance	Finance		x		Other - Corporate Bond	
Google	Internet	x			Stock	
Hospitality PPTYS Trust	Real Estate	x			Other - REIT	
ING Groep	Finance	x			Other Corporate Bond	
Intel	Computers		x		Stock	
International Lease Finance	Finance		x		Other - Corporate Bond	
Istar Financial	Finance	x			Other - Corporate Bond	
Johnson & Johnson	Consumer Products	x			Stock	
Kimberly-Clark	Consumer Products	x			Stock	
Martin Midstream Partners LP	Energy	x			Partnership	x
McDonalds	Restaurant	x			Stock	
Medical Facilities Corp	Real Estate	x			Stock	
Merck & Co.	Pharmaceuticals		x		Stock	

Name of Business Entity	Description of Business Activity	Fair Market Value				Nature of Interest	Partnership Income Received
		\$2,000 to \$10,000	\$10,001 to \$100,000	\$100,001 to \$1,000,000	Over \$1,000,000		
McM Mirage Inc	Hotel		X			Other - Corporate Bond	\$0 - \$499
Microchip Technology	Computers	X				Stock	
Mid America Apartment Communities	Real Estate	X				Other - REIT	
Mosaic Co	Chemicals	X				Stock	
Natural Resource Partner LP	Energy	X				Partnership	X
Navios Maritime Partners	Shipping	X				Partnership	X
Pepper	Consumer Products	X				Stock	
Petrohawk Energy	Energy		X			Other - Corporate Bond	
Realty Income	Real Estate		X			Other - REIT	
Realty Income Corp	Real Estate		X			Other - REIT	
Santander Financial	Finance		X			Stock	
Seadrill Ltd	Energy	X				Stock	
Senior Housing PPTYS TR	Real Estate	X				Other - REIT	
Student Transportation	Transportation Services	X				Stock	
Sun Communities	Real Estate	X				Other REIT	
Sunoco Inc	Energy		X			Other - Corporate Bond	
Systco	Consumer Products	X				Stock	
Telefonica Spon ADR	Telecommunications	X				Stock	
Terra Nitrogen LP	Chemicals	X				Partnership	X
Transmontaigne Partners LP	Energy	X				Partnership	X
UBS Capital	Finance		X			Stock	
Wachovia Capital Trust	Finance		X			Stock	
Wells Fargo Capital	Finance		X			Stock	
Wells REIT II	Real Estate		X			Other REIT	

**Paul Rosenstiel
Form 700
Assuming Office Statement
December 30, 2011
Schedule A-2**

**List of Reportable Single Sources of Income in Answer to Question 3
De La Rosa & Co.**

Underwriting Clients

**California Department of Water Resources
California Housing Finance Agency
California Statewide Communities Development Authority
Campbell Unified School District
Camrosa Water District
Chino Valley Unified School District
City of Anaheim
City of Davis Redevelopment Agency
City of Gonzales
City of Placentia
City of Riverside
City of San Mateo
City of San Ramon
Cloverdale Unified School District
Contra Costa Community College District
Covina Public Financing Authority
East Bay Municipal Utilities District
Galt Redevelopment Agency
Glendale Unified School District
Grossmont Union High School District
Imperial Irrigation District
Jefferson Union High School District
Kern Unified School District
Lemoore Redevelopment Agency
Los Angeles County Office of Education
Los Angeles County Sanitation District
Los Angeles County Schools Pooled Financing Program
Los Angeles Department of Water and Power
Los Angeles Harbor Dept.
Los Angeles Unified School District
March Joint Powers Redevelopment Agency
Metropolitan Water District of Southern California
National City Redevelopment Agency**

**Oakland Redevelopment Agency
Orange County
Port of Oakland
Rio Hondo Community College District
Riverside County
Riverside County Redevelopment Agency
Riverside County Transportation Commission
Rocketship Education
Salida Area Public Facilities Financing Agency
San Diego Community College District
San Francisco International Airport
San Francisco Redevelopment Agency
Santa Ana Redevelopment Agency
Santa Barbara County
Santa Clara Valley Transportation Authority
Santa Monica Redevelopment Agency
Sequoia Union High School District
Stanton Redevelopment Agency
State of California
Stockton Unified School District
Union City Redevelopment Agency
Ventura Community College District
Vernon Redevelopment Agency
West Basin Water District
West Contra Costa Unified School District
West Sonoma Unified High School District**

Investor Customers

De La Rosa & Co. sells bonds to both individual and institutional customers. I am not disclosing the identity of individual customers. Pursuant to Regulation S-P of the United States Securities and Exchange Commission privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act, broker-dealers (such as De La Rosa & Company) are prohibited from disclosing any non-public personal information about their individual customers without those customers' express permission. Disclosing that someone is a customer of De La Rosa & Co. and purchased an amount of bonds that would produce a \$10,000 proportional share for me is non-public personal information that De La Rosa & Co. is prohibited from disclosing. To the best of my knowledge I have not and will not make, participate in making, or in any way attempt to use an official position to influence a governmental decision when to do so constituted or would constitute a violation of Government Code section 87100.

INSTITUTIONAL INVESTOR CUSTOMERS

ABSINVGP
AIG FINANCIAL
AIM ADVISORS
AIMINTERM
AK CAPITAL
ALAMEDA
ALAMO CAPITAL CORP
ALLIANCEB
ALLIANZ
ALLSTATE
ALPINE
ALTA VISTA FINANCIA
AMBASSADOR FINANCIA
AMCENTURY
AMERICO LIFE
AMERIPRISE ADVISORS
AMHERST SECURITIES
ANAHEIM
APPLETONP
APS FINANCIAL CORP
ARBOR RESEARCH
ARMDCONSULTANTS
ASA
ASSOCIATED BROKERS
ATL TR STEINROB
AVATAR
B C ZIEGLER AND COM
BACKSTROM MCCARLEY
BAILARD
BALDWIN (LEIGH) & C
BANC OF AMERICA SEC
BANK OF MARIN
BANK OF MONTREAL
BANK OF NAPA
BANK OF OKLAHOMA
BARCLAYS CAPITAL
BAYVIEW FINANCIAL
BB&T CAP MKT
BEL AIR SECURITIES
BELLE HAVEN INVESTM
BELLFLOWER
BERGHOFF & CO INC.
BERKELEY CAPITAL MG

BERNARDI SECURITIES
BERNSTEIN AND CO
BESSEMER
BESSINVES
BEVERLY HILLS
BLACKRIVER
BLACKROCK
BLAYLOCK ROBERT VAN
BLNS
BMO CAPITAL
BNKOFWEST
BNP PARIBAS
BNY CAPITAL MARKETS
BOA
BOENNING & SCATTERG
BONDDESK TRADING LL
BOSC, INC
BOSTON
BRACEBRIDGE
BRADENCAP
BRAEBURN
BRANDIS TALLMAN LLC
BRECK
BRIELLE
BROADPOINT CAPITAL,
BROWNBROS
BTIS
BUTLER LARSEN PIERC
C L KING & ASSOCIAT
CABRERA CAPITAL MAR
CADARET, GRANT & CO
CALINVEST
CALPERS
CALVERT
CANTELLA & CO
CANTOR FITZGERALD A
CAPRE
CAPROK
CARMELCAP
CAROLINA CAPITAL MA
CARRET ASSET
CASIMIR PACIFIC
CASTLEOAK

CAUSTR
CEDAR RIDGE PARTNER
CENTAURUS
CENTRAL JERSEY MGMT
CFI
CHANDLER
CHAPDELAIN & CO
CHAPIN DAVIS
CHARLES SCHWAB
CHASE INVESTMENT SEC
CHATSWORTH SECURITI
CHEUNGEL
CITY COUNTY SAN FRANCISCO
CITY NATL BK BEVERL
CITY OF EL MONTE
CITY OF GLENDALE
CITY OF REDLANDS
CITYNAT
CLAYTON LOWELL AND
CLEARBRIDGE ADV
CLIFFORD
CNI
COAR GROUP
COAST
COHENCAP
COLUMBIA
COMERCLA SECURITIES
COMMERCE
CONCORDIA
CONNERS & CO
CONSULTIVA
CONTINENTAL INVESTO
CORBY NORTH BRIDGE
COSTA MESA
COSTA MESA SANITARY
CREWS & ASSOCIATES
CRONIN AND CO INC
CROWELL WEEDON & CO
CRT CAP GROUP LLC
CSAMFIXED
CUMBERLAND
CUNA MUTUAL
CUSO FINANCIAL SERV
CWHENDERS
D A DAVIDSON & CO I
DAIWA SECURITIES

DALTON
DAVID LERNER ASSOCI
DEFINED CAPITAL
DEFINITIVE CAPITAL
DELAWARE
DEPFA SECURITIES LL
DEUTSCHE
DIGITAL
DIMENSIONAL FUND
DLJ
DOCKSIDE
DODGE&COX
DOUGHERTY & CO
DOVESTAR
DREYFUS
DUKECAP
DUNCAN-WILLIAMS INC
E TRADE CLEARING LL
E.K. RILEY
EAGLEASSET
EASTBAY MUD
EASTERN BANK CAPITA
EATON
EDWARD D JONES & CO
ELLINGTON
EMIGRANT BANK
EMMET AND COMPANY I
ENVISION
EQUITY SECURITIES I
ERIE
EVERCORE
EVERGREEN
FAGENSON & CO INC
FARMERS&ME
FAST
FBPC
FEATHER
FEDERATED
FELTL AND CO
FIDELITY
FIDUCIARY
FIEBACH
FIFTHTHIR
FINACORP/TRADEBONDS
FINANCIAL WEST GROU
FIRST BALLANTYNE,LL

FIRST BOSTON CORPOR
FIRST CLEARING CORP
FIRST EMPIRE
FIRST NEW YORK SECUR
FIRST REPUBLIC
FIRST SOUTHWEST SEC
FIRST TENNESSEE BAN
FIRST TRUST PORT
FIRST TYRON SECURIT
FIRST WESTERN SECUR
FIRST WINSTON SECUR
FIRSTAMER
FIRSTFOUND
FIRSTINV
FISCHLER TRUST
FIX INCOME SECURITI
FMS BONDS FIRST MIA
FNB-ELY
FORTWASH
FRANKLIN
FRESNO CITY OF
FULLERTON
FUNDAMENTAL CAP
FURTHER LANE SECURI
GALLIARD
GANNETT
GAR WOOD SECURITIES
GARDNYR MICHAEL CAP
GATESCAPITAL
GECINVEST
GENRE
GEORGE K BAUM & CO
GFI - 3RD STREET
GILBOY & ACCOCIATES
GILL CAPITAL
GIRARD SECURITIES I
GKST
GOLDMAN SACHS AND C
GRACIE CAP
GRANITE
GRANT WILLIAMS L.P.
GRASSIINV
GREAT CIRCLE FINANC
GREENWICH CAPITAL M
GRIGSBY
GSAM

GUARDIAN
GUGGENHEIM
GURTIN
H BECK INC.
HABARI TRUST
HANCOCKCA
HANLEY
HAPOALIM SECURITIES
HARRIS TRUST & SAVI
HARTFORD
HARVEY
HAYMAN
HERBERT J. SIMS & C
HIGHLANDS
HIGHMARK
HOLLENCREST
HSBC SEC
HUMBOLDT CAP
HUNTER SECURITIES
INCAPITAL, LLC
ING INVESTMENT
INTERACTIVE BROKERS
INTERCONTINENTAL
INVESTORS CAPITAL
IR&M
ISAAK BOND INVESTME
J J KENNY DRAKE
J P MORGAN SECURITI
J W KORTH & CO
J.F HARTFIELD & CO
JAMES BAKER AND COM
JANNEY MONTGOMERY S
JANUS
JEFFERIES & COMPANY
JESUP & LAMONT SECUR
JP MORGAN/CHASE
JP TURNER & CO LLC
JPMIM
JVB FINANCIAL GROUP
KAYNE
KCM
KEEFE BRUYETT & WOO
KEYBANC CAPITAL MAR
KINSELL,NEWCOMB & D
KNIGHT LIBERTAS
KOVACK SECURITITES,

LADWP
LAFAYETTE SQUARE PA
LAP CAPITAL
LEBENTHAL & CO, LLC
LEGEND SECURITIES
LEHMAN BROTHERS/BAR
LEONARD & CO
LEPERCO, DE NEUFLIZ
LINCOLN
LONGBEACH
LOOMIS
LOOP CAPITAL MARKET
LORDABBET
LOWRYHILL
LPL LINSKO PRIVATE
M L STERN & CO INC
M.R. BEAL AND COMPA
MACKAY SHIELDS
MAINLINE WEST
MANUFACTURES & TRAD
MARSHALL & ILSLEY
MARTIN NELSON & CO
MASSFINAN
MAXIM
MC CLURG CAPITOL
MCADAMS,WRIGHT,RAGE
MCDONNELL
MCSFINANC
MELLON-CAP
MELVIN SECURITIES
MERCEDCOU
MERCURY
MERRILL LYNCH
MESIROW FINANCIAL,
METWATER
MIZUHO
MODERN WOODMEN
MOORS AND CABOT INC
MORGAN KEBGAN & CO
MORGAN STANLEY DW I
MORTON,CLARK,PU & M
MOUNTAIN VIEW
MPI INVESTMENT
MS PRIVATE WEALTH
MULTI-BANK SECURITI
MUNICREST

MURPHY DURIEU
NATCITY
NATIONAL ALLIANCE
NATIONS BANK MONTGOM
NAVAID FINANCIAL SE
NELSON CAPITAL
NEPTUNE COMPANY
NEUBERGER BERMAN
NEWCASTLE PARTNERS
NOLLENBERGER CAPITA
NOMURA SECURITIES I
NORTHEAST SECURITIE
NORTHERN TRUST SECS
NORTHLAND SECURITIE
NORWEST
NUVEEN
NW CAPITAL MARKETS
O'BRIEN & SHEPARD
OCEANSIDE
O'CONNOR & COMPANY
ODEON CAPITAL
OFELIA CAPITAL
OFFIT CAPITAL
OPPENHEIMER
ORIX
OXNARD
PAINE FRANCIS BIDDY
PASADENA
PAYDEN
PENN MUTUAL
PENSERRA SECURITIES
PENSON FINAN SERVIC
PERFORM TRUST
PERSHING & CO
PETRUS ASSET MGMT
PFPC TRUST COMPANY
PIMCO
PINE RIVER
PINOLE-CITY OF
PIPER JAFFRAY INC
PITTSBURG
PNC_CAP
PORT HUENEME
PORTSMOUTH FINANCIA
POWERSHARE
PRAGER SEALY & CO.,

PRINCERIDGE
PRUDENTIAL
PUTNAM
PYXIS
R W SMITH & ASSOCIA
RAFFERTY CAPITAL
RAGEN MCKENZIE
RAIKE FINANCIAL
RAINIER SECURITIES
RAYMOND JAMES & ASS
RBC CAPITAL MARKET
REGAL SECURITIES
REMBRANDT
RH INVESTMENT
RIDGWAY AND CONGER
RISINGCAP
RIVERSIDE
RMRASSET
RNC
RND CAPITAL
ROBERT W BAIRD & CO
ROSS SINCLAIRE & AS
RSWINVEST
SACRAMENTO
SAGE ADVISORY
SALOMON BROTHERS
SAMSON
SANDGRAIN SECURITIE
SANDIEGO
SANDIEGOCAP
SANTA CLARA
SANTABARB
SANTANDER SECURITIE
SAXONY SECURITIES,
SAYBROOK CAPITAL
SCHWAB
SCOTIA CAPITAL
SCS CAPITAL
SEAPORT GROUP SEC
SEARLE & CO
SEATTLE CAPITAL MGM
SECUREVEST
SEELAUS & CO
SEI INVESTMENTS COM
SENTINEL BROKERS CO
SHAY FINANCIAL SERV

SIEBERT BRANDFORD S
SILVER BRIDGE
SITINV
SKYCAP
SLOAN SECURTIES COR
SMC FIXED INCOME
SMITH MOORE & CO
SMITHAFFI
SNWASSET
SOLANO COUNTY
SOUND SECURITIES
SOUTHFORK
SPIRIT
STANDISH
STARK, SALTER & SMI
STATEFARM
STATEST
STEPHENS INC
STERLING
STERNE AGEE
STIFEL NICOLAUS
STOCKCROSS INC
STOEVER GLASS & CO
STONE & YOUNGBERG
STRATEGIC
STW
SUMRIDGE PARTNERS
SUNNYVALE
SUNTRUST CAPITAL MA
SUSQUEHANNA FINACIA
SUTTER SECURITIES
SW SECURITIES
SYNOVOUSS
TAHOE FIXED INCOME
TCW
TD AMERITRADE
TEJAS SECURITIES
TELEBUYER
TELEMUS INVESTMENT
THE GMS GROUP
THE MUNI CENTER
THORNBURG
TLAA CREF
TOUCHSTONE
TRADITIONAL ASIEL S
TRAVELERS

TRIDENT PARTNERS
TRISTAR
TROWEPX
TUCSON
TULLETT LIBERTY SEC
TUOLUMNE
UBS PAINE WEBBER
UCM
UC-REGENTS
UNION BANK OF CALIF
USAA BROKERAGE SERV
USBANC
VAN KAMPEN MERRITT
VANECK
VANGUARD
VANKAMPEN
VANQUISH CAPITAL
VFINANCE INVESTMENT
VICTORY
VINING SPARKS
VISION FINANCIAL
VISTA SECURITES INC
VOYAGEUR
VRB CAPITAL
WACHOVIA CAPTITAL M
WADDELL & REED
WALKERFIN
WALNUT
WAMCO
WASMER
WATERMILL
WEDBUSH SECURITIES
WELLINGTON
WELLS FARGO
WELLWORTH
WENTWORTH
WESTMINSTER FINANCI
WESTPARK CAPITAL
WHITTIERT
WILLIAM BLAIR & CO.
WILLIAMS BUCHANAN &
WILMINGTON
WORTHINGTN
WULFF HANSEN & CO.
WUNDERLICH SECURITI
YIELDQUEST SECURITI

ZEEGEN
ZENITHINS
ZION DIRECT INC
ZIONS FIRST NAT

Paul Rosenstiel
Form 700
Assuming Office Statement
December 30, 2011
Schedule A-2
Additional Investments Reported in Answer to Question 4
Rosenstiel and Masacka 1987 Trust

INVESTMENTS

Name of Business Entity	Description of Business Activity	Fair Market Value				Nature of Interest
		\$2,000 to \$10,000	\$10,001 to \$100,000	\$100,001 to \$1,000,000	Over \$1,000,000	
Abbot Laboratories	Pharmaceuticals	x				Stock
AT&T	Telecommunications	x				Stock
BAC Capital Trust	Finance		x			Stock
Behringer Harvard REIT I, Inc.	Real Estate			x		Other - REIT
Behringer Harvard Multifamily REIT I, Inc.	Real Estate			x		Other - REIT
Boston Capital Tax Credit Fund IV	Real Estate Tax Credits		x			Other - REIT
Bristol-Myers Squibb	Pharmaceuticals	x				Stock
Brookfield Infrastructure Partners	Utility	x				Partnership
Chevron Corp	Petroleum	x				Stock
Cia de Bebidas PFD ADR	Consumer Products	x				Stock
Conoco Phillips	Petroleum		x			Stock
Copano Energy LLC	Energy	x				Stock
Du Pont	Chemicals	x				Stock
Enterprise PRD Partners LP	Energy	x				Partnership
Fernandes Partners	Natural Gas	x				Partnership
Genesis Energy LP	Energy		x			Partnership
Google	Internet	x				Stock
Hospitality PPTYS Trust	Real Estate	x				Other - REIT
Inergy LP	Natural Gas	x				Partnership
Inland Western Retail REIT	Real Estate		x			Other - REIT
Intel	Computers	x				Stock
Johnson & Johnson	Consumer Products	x				Stock
Kinder Morgan Energy LP	Energy	x				Partnership
Martin Midstream Partners LP	Energy	x				Partnership
Medical Facilities Corp	Real Estate	x				Stock
Mid America Apartment Communities	Real Estate	x				Other - REIT
MV Oil Trust	Petroleum	x				Stock
Natural Resource Partner LP	Energy	x				Partnership
Navis Maritime Partners	Shipping	x				Partnership
Oracle	Software	x				Stock
Penn Virginia Resource Partners	Energy	x				Partnership
Pepsico	Consumer Products	x				Stock
Realty Income Corp	Real Estate	x				Other - REIT
Seadrill Ltd	Energy	x				Stock
Senior Housing PPTYS TR	Real Estate	x				Other - REIT
Student Transportation	Transportation Services	x				Stock
Sun Communities	Real Estate	x				Other - REIT
Sysco	Consumer Products	x				Stock
Telefonica Spon ADR	Telecommunications	x				Stock
Terra Nitrogen LP	Chemicals	x				Partnership
Transmontaigne Partners LP	Energy	x				Partnership

REAL ESTATE

Street Address	City	Fair Market Value				Nature of Interest
		\$2,000 to \$10,000	\$10,001 to \$100,000	\$100,001 to \$1,000,000	Over \$1,000,000	
101 - 103 Caselli Ave.	San Francisco, CA				x	Property Ownership/ Deed of Trust

HOW WILL YOU SPEND YOUR FUTURE?

RECEIVED
FAIR POLITICAL
PRACTICES COMMISSION

2012 JAN -6 PM 1:47

California State Teachers'
Retirement System
Office of General Counsel
100 Waterfront Place
West Sacramento, California 95603
916-414-1701
schu@CalSTRS.com

January 4, 2012

Rene Robertson
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814

Dear Ms. Robertson,

Enclosed is the original amended fiscal year 2010 form 700 annual statement for Paul Rosenstiel. Please contact me if you have any questions.

Sincerely,

Sarah Chu



FAIR POLITICAL PRACTICES COMMISSION

128 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • FAX (916) 322-1886

July 11, 2012

Paul Andrew Rosenstiel
CalSTRS
100 Waterfront Place
West Sacramento, CA 95605

Re: Your Request for Exemption
Our File No. O-12-001

Dear Mr. Rosenstiel:

The purpose of this letter is to inform you that I have reviewed your filed Assuming Office Statement of Economic Interests (hereafter "Statement") and your explanation of your legal basis for withholding the names of certain of your clients from disclosure. I have determined that nondisclosure is justified in this limited case based on the facts you have provided.

As you point out on the Statement that you filed, federal law provides a limitation on the disclosure of the non-public information.

"The Gramm-Leach-Bliley Financial Modernization Act of 1999 provides privacy protections for customers of financial institutions. Pursuant to the Act, the Federal Trade Commission, the Commodities Futures Traders Commission, and the Securities and Exchange Commission adopted rules designed to protect individuals' privacy interests. Under these Privacy Regulations, a financial institution may not disclose any non-public personal information about a consumer to a non-affiliated third party unless the individual has been provided notice and the opportunity to opt out of the disclosure. The Privacy Regulations contain subsections entitled 'Relation to State laws.' "

Title 17, Section 248.10 of the Code of Federal Regulations specifically provides:

"(a)(1) Conditions for disclosure. Except as otherwise authorized in this subpart, you may not, directly or through any affiliate, disclose any nonpublic personal information about a consumer to a nonaffiliated third party unless:

"(i) You have provided to the consumer an initial notice as required under §248.4;

“(ii) You have provided to the consumer an opt out notice as required in §248.7;

“(iii) You have given the consumer a reasonable opportunity, before you disclose the information to the nonaffiliated third party, to opt out of the disclosure; and

“(iv) The consumer does not opt out.”

In light of these provisions, while your Statement fully discloses all your economic interests (such as underwriter clients and institutional investor clients), you have declined to report individuals who are investors through your company. You stated:

“De La Rosa & Co. sells bonds to both individual and institutional customers. I am not disclosing the identity of individual customers. Pursuant to Regulation s-p of the United States Securities and Exchange Commission privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act, broker-dealers (such as De La Rosa & Company) are prohibited from disclosing any non-public personal information about their individual customers without those customers’ express permission. Disclosing that someone is a customer of De La Rosa & Co. and purchased an amount of bonds that would produce a \$10,000 proportional share for me is non-public personal information that De La Rosa & Co. is prohibited from disclosing. To the best of my knowledge I have not and will not make, participate in making, or in any way attempt to use an official position to influence a governmental decision when to do so constituted or would constitute a violation of Government Code section 87100.”

Based on the information you provided, I conclude that the names of your investor clients who are individuals are protected under federal law and protected from disclosure under Regulation 18740. However, pursuant to Regulation 18740(d) and (e), my recommendation must be reviewed by the Commission and an opinion must be issued by the Commission under Government Code Section 83114. Therefore, your request for exemption will be presented to Commission on September 13, 2012.

Please note the following:

- 1. Pursuant to Regulation 18740(e), this notice will also be sent to the Attorney General and the district attorney and city attorney of the jurisdiction in which you reside and which includes your principal place of business (Los Angeles County and the City of Los Angeles).**
- 2. Commission staff will prepare a memorandum, draft opinion, and draft order regarding this issue for the members of the Commission to review at the September Commission meeting. The materials will be made available to the public 10 days in advance of the meeting, on**

August 31, 2012. You may submit additional material you deem relevant regarding the opinion request no later than noon on September 12, 2012.

3. In addition, you may present oral testimony at the hearing concerning your request. Any other interested party may also provide oral testimony on the hearing on this matter.
4. Should the Commission reject my recommendation and order you to disclose the names of the sources of income required to be disclosed under Government Code Section 87207(b)(2), you must do so within 14 days of the order.

If you have any questions, please contact me at (916) 322-5660.

Sincerely,

John W. Wallace
Acting Executive Director

Enclosures

Regulation 18740

Form 700 (Assuming Office) -- Assumed on November 30, 2011.

cc: Kamala D. Harris, Attorney General
Attorney General's Office
California Department of Justice
Attn: Public Inquiry Unit
P.O. Box 944255
Sacramento, CA 94244-2550

Carmen A. Trutanich
Los Angeles City Attorney's Office
200 North Main Street, 8th Floor
Los Angeles, Ca. 90012

Steve Cooley, District Attorney
District Attorney's Office
County of Los Angeles
210 West Temple Street, Suite 18000
Los Angeles, CA 90012-3210

(Regulations of the Fair Political Practices Commission Title 2, Division 6, California Code of Regulations.)

§ 18740. Privileged Information: Statement of Economic Interests.

An official or candidate need not disclose under Government Code section 87207(b) the name of a person who paid fees or made payments to a business entity if disclosure of the person's name would violate a legally recognized privilege under California law. Such a person's name may be withheld in accordance with the following procedure:

(a) An official or candidate who believes that a person's name is protected by a legally recognized privilege may decline to report the name, but shall file with his or her Statement of Economic Interests an explanation for such nondisclosure. The explanation shall separately state for each undisclosed person the legal basis for assertion of the privilege and, as specifically as possible without defeating the privilege, facts which demonstrate why the privilege is applicable.

(b) With respect to each undisclosed person, the official or candidate shall state that to the best of his or her knowledge he or she has not and will not make, participate in making, or in any way attempt to use an official position to influence a governmental decision when to do so constituted or would constitute a violation of Government Code section 87100.

(c) The Executive Director may request further information from the official or candidate and, if no legal or factual justification sufficient to support assertion of the privilege is shown, may order that the disclosure required by the Act be made. The official or candidate shall, within 14 days after receipt of an order from the Executive Director, either comply with the order or, if he or she wants to challenge the determination of the Executive Director appeal the determination, in writing, to the Commission.

(d) If the Executive Director determines that nondisclosure is justified because of the

existence of a privilege, the matter shall be referred to the Commission.

(e) The Commission shall review an appeal filed under paragraph (c) or a recommendation made by the Executive Director under paragraph (d) at a meeting held no less than 14 days after notice of the meeting is mailed to the official or candidate, the Attorney General and both the district attorney and the city attorney of the jurisdictions in which the official's or candidate's residence and principal place of business are located. The Commission shall decide whether nondisclosure is warranted by issuing an opinion under Government Code section 83114 and shall treat the explanation for nondisclosure accompanying the official's or candidate's Statement of Economic Interests as an opinion request. The procedures set forth in 2 Cal. Code Regs. sections 18320- 18324, however, shall not apply to opinions issued pursuant to this regulation.

(f) If the Commission orders an official or candidate to disclose, the official or candidate must comply within 14 days. The Executive Director may, for good cause, extend any of the time periods established in this regulation.

Comment: A person's name is not ordinarily protected from disclosure by the law of privilege in California. Under current law, for example, a name is protected by the attorney-client privilege only when facts concerning an attorney's representation of an anonymous client are publicly known and those facts, when coupled with disclosure of the client's identity, might expose the client to an official investigation or to civil or criminal liability. See, e.g., *Brunner v. Superior Court*, 51 Cal. 2d 616, 618 (1959); *Ex parte McDonough*, 170 Cal. 230 (1915); *Baird v. Koerner* 279 F.2d 623, 630 (9th Cir. 1960); and cases compiled in *re Grand Jury Proceedings*, 517 F.2d 666, 670-71 (5th Cir. 1975). A patient's name has been protected by the physician-patient privilege only when disclosure of the patient's name would also reveal the nature of the

treatment received by the patient because, for example, the physician is recognized as a specialist. See, e.g., *Marcus v. Superior Court*, 18 Cal. App. 3d 22, 24-25 (1971) and *Ascherman v. Superior Court*, 254 Cal. App. 2d 506, 515-16 (1967). The names of business customers are not protected by the trade secret privilege unless, because of surrounding circumstances, disclosure of a particular customer's identity would also result in disclosure of special needs and requirements of the customer that are not generally known to competitors. See, e.g., *King v. Pacific Vitamin Corp.* 256 Cal. App. 2d 841, 846-49 (1967) and *Peerless Oakland Laundry Co. v. Hickman*, 205 Cal. App. 2d 556, 559-60 (1962).

Note: Authority cited: Section 83112, Government Code. Reference: Section 87207(b), Government Code.

HISTORY

1. New section filed 7-28-76; effective thirtieth day thereafter (Register 76, No. 31).
2. Amendment of subsections (c)-(f) filed 11-2-78; effective thirtieth day thereafter (Register 78, No. 44).
3. Amendment filed 4-28-82; effective thirtieth day thereafter (Register 82, No. 18).
4. Amendment of first paragraph, subsection (e) and Note filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
5. Amendment filed 10-26-2004; operative 11-25-2004 (Register 2004, No. 44).

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION

In the Matter of:)
)
Opinion requested by)
Paul Rosenstiel)
)
)
)
)

No. O-12-001
September 13, 2012

BY THE COMMISSION: Paul Rosenstiel was appointed to the California State Teachers' Retirement System (CalSTRS) and assumed office on November 30, 2011. In his private capacity, Mr. Rosenstiel is employed by E. J. De La Rosa and Co., Inc (hereafter "DLR"), a municipal bond investment bank as a principal and partner of the firm. He manages the San Francisco office of De La Rosa & Co.

Mr. Rosenstiel has requested exemption from the Act's general requirement that a member of CalSTRS disclose every source of income on his Statement of Economic Interests, Form 700. Under procedures established by Regulation 18740, we treat this inquiry as a request for an opinion of the Fair Political Practices Commission (the "Commission") on the following question:

I. Question

May Mr. Rosenstiel decline to identify on his Statement of Economic Interests individuals that are clients of his firm?

II. Conclusion

OPTION 1: Yes. In light of all the circumstances, Mr. Rosenstiel has established sufficient cause for the exemption he seeks from the disclosure requirements of Government Code Section 87207(b)(2).

OPTION 2: Yes. But only if the source of income has opted out of the release of his or her information pursuant to 15 USC § 6802. Mr. Rosenstiel has established sufficient cause for the exemption he seeks from the disclosure requirements of Government Code Section 87207(b)(2) with respect to these sources of income. All other sources must be disclosed within 14 days of the Commission's adoption of this opinion.

III. Facts Presented.¹

Paul Rosenstiel was appointed to the California State Teachers' Retirement System (CalSTRS) and assumed office on November 30, 2011. In his private capacity, Mr. Rosenstiel is employed by E. J. De La Rosa and Co., Inc, a municipal bond investment bank as a principal and partner of the firm. He manages the San Francisco office of De La Rosa & Co.

On January 6, 2012, Mr. Rosenstiel filed an assuming office Statement of Economic Interests, Form 700, but while he disclosed his underwriter clients and institutional investor clients, he declined to report individuals who are investors through the company. Instead, consistent with Regulation 18740, he attached a brief statement as follows:

"De La Rosa & Co. sells bonds to both individual and institutional customers. I am not disclosing the identity of individual customers. Pursuant to Regulation s-p of the United States Securities and Exchange Commission privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act, broker-dealers (such as De La Rosa & Company) are prohibited from disclosing any non-public personal information about their individual customers without those customers' express permission. Disclosing that someone is a customer of De La Rosa & Co. and purchased an amount of bonds that would produce a \$10,000 proportional share for me is non-public personal information that De La Rosa & Co. is prohibited from disclosing. To the best of my knowledge I have not and will not make, participate in making, or in any way attempt to use an official position to influence a governmental decision when to do so constituted or would constitute a violation of Government Code section 87100."

Under the procedure established by Regulation 18740, the matter was presented to the Executive Director as an "exemption request." After review of the law and facts, the Executive Director concluded that this exemption request had merit. However, the Commission is required to approve any exemption, and Regulation 18740(e) provides that the official's explanation for non-disclosure, if approved, shall be treated as an opinion request.

¹ The Commission does not act as a finder of fact when it issues legal opinions. The opinion is applicable only to the extent that facts provided to us are correct, and that all of the material facts have been provided. (*In re Oglesby* (1975) 1 FPPC 71.)

IV. Analysis

As a preliminary matter, in requesting the exemption, Mr. Rosenstiel affirms that he has not and would not make, participate in making, or in any way use an official position to influence a governmental decision in violation of Section 87100 concerning any source of income or other economic interest. Mr. Rosenstiel's request for exemption from the Act's requirement that candidates and public officials disclose their financial interests touches on one of the Act's most important purposes, as described in section 81002(c):

“(c) Assets and income of public officials which may be materially affected by their official actions should be disclosed and in appropriate circumstances the officials should be disqualified from acting in order that conflicts of interest may be avoided.”

The general provision governing disclosure of income under the Act is Section 87207, and Mr. Rosenstiel's request implicates in particular subdivision (b)(2) of the statute, which requires disclosure of:

“The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from that persona was equal to or greater than the thousand dollars (\$10,000) during a calendar year.”

However, as Mr. Rosenstiel points out, his disclosure of the financial data in question is also controlled by federal law. According to the Federal Trade Commission's Gramm-Leach-Bliley Act (“GLBA”) Outline:

“Subtitle A of Title V of the Gramm-Leach-Bliley Act (“GLB Act”) has privacy provisions relating to consumers' financial information. Under these provisions, financial institutions have restrictions on when they may disclose a consumer's personal financial information to nonaffiliated third parties. Financial institutions are required to provide notices to their customers about their information-collection and information-sharing practices. Consumers may decide to “opt out” if they do not want their information shared with nonaffiliated third parties. The GLB Act provides specific exceptions under which a financial institution may share customer information with a third party and the consumer may not opt out. All financial institutions are required to provide consumers with a notice and opt-out opportunity before they may disclose information to nonaffiliated third parties outside of what is permitted under the exceptions.”

The GLBA is enforced administratively by the Federal Trade Commission and Section 6823 of the GLBA provides for criminal penalties under limited circumstances.

On the basis of the information provided by Mr. Rosenstiel, the Executive Director concluded that nondisclosure is justified because of the existence of a privilege and the privacy mandate of the federal law. The Executive Director recommended that the Commission issue an opinion to that effect, pursuant to all the requirements of Regulation 18740 (d) and (e).

Mr. Rosenstiel's exemption request requires us to balance the public interest in disclosure under the Act, against his fiduciary obligations with respect to his client information under federal law. After reviewing the Executive Director's memorandum, along with Mr. Rosenstiel's statements on the factual basis of his exemption request, we concur in the recommendation of the Executive Director, finding that nondisclosure is appropriate under the peculiar circumstances of this case.

While the facts do not fit squarely in the language of the regulation, we note that disclosure of private financial information is a particular concern of federal statutory law, and that granting this exemption, under the facts before us, creates no risk that undisclosed conflicts of interest might threaten the integrity of governmental decisionmaking.

OPTION 1: The Executive Director was correct in deciding that the requested exemption was appropriate in this case.

OPTION 2: However, the federal law does provide a mechanism to prevent the release of financial data in violation of an investor. While the Executive Director's decision was appropriate with respect to those persons that request that their information not be disclosed through the federal "opt out" procedure, we conclude that Mr. Rosenstiel must follow the federal process and report all individual sources of income who do not opt out of the disclosure of their information.

Approved by the Commission on June 25, 2004. Concurring: Chair Ravel, Commissioners Eskovitz, Garrett, Montgomery, and Rotunda

Ann Ravel
Chair

BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
STATE OF CALIFORNIA

In the Matter of:

PAUL ROSENSTIEL

ORDER PURSUANT TO
2 CAL CODE REGS § 18740(f)

The Fair Political Practices Commission hereby issues its order regarding the exemption request made by Paul Rosenstiel under Title 2, California Code of Regulations section 18740. Having reviewed all documents and records on file in this matter, and having considered the exemption request in public session on this date, the Commission hereby orders Paul Rosenstiel to disclose within 14 days the names of each and every source of income required to be disclosed under Government Code section 87207(b)(2), whose identity has not previously been disclosed on Mr. Rosenstiel's Statement of Economic Interests, or on any amendment thereto.

IT IS SO ORDERED.

Dated: September 13, 2012

FAIR POLITICAL PRACTICES COMMISSION

By: _____
Ann Ravel, Chair

