

1 Amend 2 Cal. Code Regs., Section 18237 to read:

2 **§ 18237. Definitions. Definition of Investment.**

3 ~~(a)~~ For purposes of Section 82034, the term “investment” does not include a:

4 (a) Cryptocurrency holdings, or

5 (b) A fund, including an exchange traded fund (ETF), closed-end fund or fund held in a
6 plan qualified under Sections 401(k), 403(b), 457 or similar provision of the Internal Revenue
7 Code (qualified plan), that is substantially similar to a “diversified mutual fund registered with
8 the Securities and Exchange Commission under the Investment Company Act of 1940” if all the
9 following are met:

10 (1) The fund is a bona fide investment fund that pools money from more than 100
11 investors and invests the money in stocks, bonds, or other securities. An ETF, closed-end fund or
12 qualified plan is presumed to have more than 100 investors.

13 (2) The fund holds securities of more than 15 issuers. An ETF, closed-end fund or
14 qualified plan is presumed to hold more than 15 issuers.

15 (3) The public official did not influence or control the decision to purchase or sell the
16 specific fund on behalf of the official's agency during the applicable reporting period.

17 (4) The public official does not influence or control the selection of any specific
18 investment purchased and sold on behalf of the fund.

19 (5) The fund does not have a stated policy of concentrating its holdings in the same
20 industry or business.

21 ~~(b) For purposes of subdivisions (a)(1) and (a)(2), an ETF, closed-end fund or qualified~~
22 ~~plan is presumed to have more than 100 investors and hold securities of more than 15 issuers.~~

- 1 Note: Authority cited: Section 83112, Government Code. Reference: Section 82034,
- 2 Government Code.