

87207 Nancy C.

State of California



Fair Political Practices Commission

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February 1, 1978

Honorable Judge Clifford Bachand
5982 Glen Arms Drive
Oakland, California 94611

A-78-261

Dear Judge Bachand:

The purpose of this letter is to confirm the advice we offered you over the telephone regarding three questions you had concerning your reporting obligations.

The first question was whether money received from the sale of stocks owned by you that were listed on a major stock exchange, and sold through a brokerage firm, need be reported on your source of income statement.

I informed you that income derived from the sale of stocks under these circumstances was not reportable. See 2 Cal. Adm. Code Section 18729. These transactions, however, would have to be reported on your investment schedule.

The second question was whether the sale of a home in which your spouse inherited a 50% interest must be reported on your income statement.

I informed you that when your spouse inherited the property it was not considered income under the Political Reform Act and need not be reported on your income statement but only on your real property statement. Now that the house is being sold and assuming that you have a community property interest in the house, you must list the buyer of the property as a source of income and your pro rata share of the income from the sale. If the property were held as separate property by your spouse, you need not report any income from the sale. In any event, the sale must be noted on your real property schedule.

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Your third and final question involved the reporting of income from a company in which you were a limited partner. It was my understanding that you received \$28,000 from the company after it sold and refinanced some property controlled by it. Your interest in the firm was less than 10%.

Based on these facts, I informed you that the \$28,000, along with the name of your firm as the source, must be listed on your income statement. Because your interest in the firm was less than 10%, you need not report the names of the individuals from whom your firm received payment.

I hope this information has been helpful. If you have any questions, please do not hesitate to contact our office.

Sincerely,

Dwight Dickerson
Legal Counsel
Conflicts of Interest Division

DD:gb