

Memorandum

To : Advice File

Date : Nov. 14, 1980

A-80-11-080

From : **FAIR POLITICAL PRACTICES COMMISSION**
Sarah Cameron

Subject: Investments "wholly or partially" acquired -- Section 87206
and Section 7(E) of the standard Code, 2 Cal. Adm. Code
Section 18730(b)(7)(E)

At the opinion request meeting of November 13, the staff considered the application of the provision that requires the reporting of the date an investment was "wholly or partially" acquired or disposed as it applies to investments, particularly publically traded stock. The staff agreed that although there may be good reason to know the date of partial acquisition or disposal of real property, and perhaps of privately traded stock, there is no good reason for such disclosure with respect to stock bought and sold over the counter at the Stock Exchange. If the asset is wholly acquired or disposed, the date is important, as it will indicate if the asset was held at the time a decision was made which could have affected it. As disqualification is required whether the asset is worth \$1,001 or \$1 million, partial acquisition has little import; and partial disposal is at best an indication that income was received. Pursuant to Reg. 18729, however, no reportable income is generated by selling stock through the Stock Exchange.

We also concluded, however, that there was no way to say that some partial acquisitions and disposals were excluded from these Sections. Consequently, we decided that people in this situation were required to report something. We ultimately decided that disclosure would comport with this requirement if it indicated that there were partial acquisitions and disposals throughout the reporting period. Finally, we decided to put some sort of amendment on our legislative agenda to remove the requirement that partial disposals and acquisitions be reported with respect to publically traded stocks.

c. Bob Stern

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