

State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 • • • 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance • • Administration • • Executive/Legal • • Enforcement • • Statements of Economic Interest
(916) 322-5662 322-5660 322-5901 322-6441 322-6444

August 6, 1981

Wesley Bannister
19242 McLaren Lane
Huntington Beach, CA 92646

A-81-08-043

Dear Mr. Bannister:

Alice Hughes of our office referred to me the questions raised regarding your Statement of Economic Interests. I am sorry if the delay in our response has caused any inconvenience to you.

My understanding of the situation is as follows. You serve as a Planning Commissioner for the City of Huntington Beach. As such you are required to file an annual Statement of Economic Interests disclosing your investments, income, and interests in real property pursuant to Government Code Sections 87200, et seq.^{1/} You are also an insurance agent, which means that you contract with various insurance companies to receive commissions on any of their insurance policies that you sell. In disclosing your income, you indicated that you received income from Bannister and Associates Insurance Agency in the form of commissions on insurance sales and in the form of a salary. You also subsequently disclosed the names of the insurance companies which were sources of income to Bannister and Associates Insurance Agency of \$10,000 or more during the period covered by the Statement.

As you know, Section 87207(b)(3) provides that income to a business entity in which the filer's pro rata share of the gross receipts is \$10,000 or more must be reported by the filer.^{2/} The Commission does not yet have a formal policy

^{1/} All statutory references are to the Government Code.

^{2/} This is true provided of course that the filer has a 10 percent or greater ownership share in the business entity. Section 82030.

Wesley Bannister
August 6, 1981
Page Two

as to who the source of income is to the insurance agent -- the insurance companies or the persons who buy insurance through the agent.

However, in light of the purposes of the Political Reform Act provisions on conflicts of interest, the staff view is that the better approach regarding disclosure is for the insurance agent to list those insurance companies from which he receives commissions of \$10,000 or more, and customers that have purchased insurance if his pro rata share of the commission on their policies was \$10,000 or more.

If, in view of this advice, you feel that you need to amend your Statement, please complete the enclosed Schedule H and file it with the city clerk.

If I can be of further assistance, please feel free to contact me at (916) 322-5901.

Very truly yours,



Diane Maura Fishburn
Counsel
Legal Division

DMF:plh
Enclosure