

87207(a)

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
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February 25, 1981

Steven A. Herum
Neumiller and Beardslee
400 First Federal Plaza Bldg.
6 South El Dorado Street
P. O. Drawer 20
Stockton, CA 95201

A-81-125

Dear Mr. Herum:

This letter is in response to your letter dated February 6, 1981, asking for a clarification of the law in connection with a filer's reporting obligation under the Political Reform Act of 1974.

You stated that the filer's wife is one of two partners in a law firm who each have a 50% interest in the law firm. You listed five payments to the partnership from separate clients: \$40,000, \$20,000, \$10,000, \$4,000, and \$1,000.

The law requires a filer to report income received by a business in which he or his spouse (or both together) own a 10% or greater interest, if the filer's pro rata share of the gross receipts of the business is \$10,000 or more. A filer is considered to have received 50% of his spouse's pro rata share of a business (his community property interest in her pro rata share). See Government Code Section 82030, 87207. Therefore, you would have to report your interest in a \$40,000 fee received by your wife's law firm: her pro rata share is \$20,000 (50% of \$40,000); your community property interest in her share is \$10,000 (50% of \$20,000). You do not have a reportable interest in any fees of less than \$40,000 received by your wife's law firm.

I hope this information has been helpful. If you have further questions, feel free to call.

Yours truly,

Alice Hughes
Documents Examiner

Neumiller & Beardslee

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February 6, 1981

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1889-1971
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MS. ALICE HUGHES
Fair Political Practice Commission
Post Office Box 807
Sacramento, California 95804

Dear Ms. Hughes:

As you know, the Political Reform Act of 1974 [Gov. Code §81000 et seq.] compels every person holding specified offices to annually disclose investments, interests in real property and income. [Gov. Code §87203.] By definition income derived from a business of the filer's spouse may be deemed as received by the filer for purposes of the disclosure. [Gov. Code §82030(a).] Certain disclosure requirements arise when the filer's pro rata share of the payments or fees exceed a certain statutory amount. [Gov. Code §87207(b).] By this letter I am seeking a clarification of the law in connection with the following fact situation.

Filer's wife is one of two partners in a law firm. They each have a 50% interest in the law firm. They share equally in all expenses and profits. Would you please explain the disclosure requirements, if any, arising from the following factual settings:

- A. Partnership receives payment of \$40,000 from one client.
- B. Partnership receives payment of \$20,000 from one client.
- C. Partnership receives payment of \$10,000 from one client.
- D. Partnership receives payment of \$4,000 from one client.

MS. ALICE HUGHES
Page Two
February 6, 1981

E. Partnership receives payment of \$1,000
from one client.

Your attention to this problem is greatly appreciated.

Very truly yours,



STEVEN A. HERUM
for
NEUMILLER & BEARDSLEE

SAH/bjs

Memorandum

*may be subject to same provisions essentially as 812076.
business entity and therefore for commission
must be \$10,000 before reporting
000010*

To : Opinion Request Meeting Participants

Date : Sept. 23, 1977

M-77-510

From : FAIR POLITICAL PRACTICES COMMISSION
Alan Herndon

Subject: Question from Senator Foran's Office

Senator Foran's wife is a real estate salesperson who works out of a real estate broker's office. Recently, a lobbyist decided to sell his house and listed it with Senator Foran's wife. The house was eventually sold and Senator Foran's wife ultimately received 1/4 of the commission. The commission was paid to Mrs. Foran's real estate broker who in turn paid Mrs. Foran her share.

Questions:

1. Would this transaction be a reportable exchange by a lobbyist with a member of the immediate family of an official? (Section 86107(d))
2. Would the lobbyist be a source of income that must be disclosed on the official's Statement of Economic Interests? (Section 87207(a)(1))