



California Fair Political Practices Commission

September 16, 1993

Judge John Kraetzer
Alameda Superior Court
Hall of Justice
24405 Amador Street
Hayward, CA 94544

Re: Your Request for Advice
Our File No. A-93-305

Dear Judge Kraetzer:

You have requested advice concerning your reporting obligations under the conflict of interest disclosure provisions of the Political Reform Act.^{1/}

QUESTIONS

1. Could your investments which are administered by an investment advisory service be considered a mutual fund investment and be excluded from disclosure on your Statement of Economic Interests (Form 721)?
2. In lieu of completing Schedule A-Investments of the statement of economic interests, may you attach a photocopy of the financial advisor's report?

CONCLUSIONS

1. Only diversified mutual funds registered with the Securities and Exchange Commission are excluded from reporting on the statement of economic interests.
2. Photocopies of financial reports are not acceptable as attachments to the statement of economic interests. All attachments filed in lieu of the prescribed schedules must be substantially similar in format and contain all of the required information. In addition, extraneous information may not be included.

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

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ANALYSIS

Section 87202 requires certain public officials, including judges, to disclose, among other things, investments in business entities located in or doing business in their jurisdiction.

Investments include, but are not limited to, common stock, preferred stock, and partnerships, and are reportable if the fair market value of the official's interest equals or exceeds \$1,000 during the period covered by the report. The term "investment" does not include an interest in a diversified mutual fund registered with the Securities and Exchange Commission. (Section 82034.) The Fair Political Practices Commission has no authority to exclude from disclosure investments in stocks or other types of financial instruments. However, enclosed is Regulation 18235 (Reporting Interests in Blind Trusts), which may be of assistance to you.

The Commission is responsible for creating and approving forms required to be filed under the Political Reform Act. (Section 83113.) Ordinarily, reports prepared by a financial adviser do not contain all of the information required to be disclosed in a format that is comprehensible to members of the public. Therefore, unless the report is substantially similar in format to and contains the same information required by the Commission's Schedule A, and does not contain extraneous information, you may not attach the financial adviser's report in lieu of Schedule A.

If you have any questions or need further assistance, please contact me at (916) 322-5662.

Sincerely,

Wayne Ordos
Executive Director



by: Colleen McGee
Political Reform Consultant
Technical Assistance Division