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1984–85 MANUAL FOR STATEMENTS OF ECONOMIC INTERESTS FOR DESIGNATED EMPLOYEES FORM 730

IF YOU ARE AN OFFICIAL OR EMPLOYEE OF AN AGENCY WHOSE POSITION IS DESIGNATED IN YOUR AGENCY'S CONFLICT OF INTEREST CODE, USE FORM 730 TO FILE:

An Initial Statement Pursuant to a Newly-Adopted Conflict of Interest Code

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An Assuming Office Statement

• • •

An Annual Statement

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A Candidate's Statement

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A Leaving Office Statement

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Fair Political Practices Commission

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WHAT IS A STATEMENT OF ECONOMIC INTERESTS?

A Statement of Economic Interests is a form on which certain public employees and officials are required to disclose financial interests. It is available for inspection by the public at your agency.

WHO MUST FILE STATEMENTS?

You must file a Statement of Economic Interests if you are an agency employee or official whose position is designated in your agency's Conflict of Interest Code.

WHY MUST A STATEMENT OF ECONOMIC INTERESTS BE FILED?

The Political Reform Act is intended to prevent conflicts of interest by requiring public officials such as yourself to disclose financial interests which could foreseeably cause conflicts. In addition, as a public official, you may be required to disqualify yourself from making, participating in, or attempting to influence any governmental decision which will affect your financial interests, including those you are required to report on your Statement of Economic Interests. The Fair Political Practices Commission's *Guide to the Political Reform Act: California's Conflict of Interest Law for Public Officials* explains what a conflict of interest is, and when disqualification is required by law.

WHEN MUST STATEMENTS BE FILED?

Initial Statement: File if your agency has a newly-adopted Conflict of Interest Code. File within 30 days after the effective date of your agency's Conflict of Interest Code.

Assuming Office Statement: File if you are assuming a position designated in your agency's Conflict of Interest Code.

a. Position subject to State Senate Confirmation—File within 30 days after your appointment or nomination by the Governor.

b. All other positions—File within 30 days after you assume office.

Annual Statement: File at a time prescribed by your agency's Conflict of Interest Code.

Leaving Office Statement: File within 30 days after you leave office.

Candidate's Statement*: File no later than the final filing date of your declaration of candidacy.

FAILURE TO FILE STATEMENTS ON TIME MAY RESULT IN PENALTIES INCLUDING BUT NOT LIMITED TO LATE FINES.

WHAT PERIOD DOES THE STATEMENT COVER?

You may be required to disclose your financial interests as of a specific date (such as the date you assumed office), or over a specified "reporting period" (such as a calendar year).

Initial Statement—On an initial Statement, you must disclose financial interests held on the date that your agency's Conflict of Interest Code became effective.

Assuming Office Statement—On an assuming office Statement, you must disclose financial interests you held on the date you assumed office.

Annual Statement—On an annual Statement, you must disclose financial interests held during the reporting period.

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* These provisions apply only to candidates for elective office, but not all Conflict of Interest Codes require candidates to file Statements of Economic Interests. If you are a candidate for an elective office covered by a Conflict of Interest Code, check the Code to see if you have to file.

- The period covered begins on:

  —January 1 (the day after the closing date* of a previous annual Statement), or

  —The effective date of the Conflict of Interest Code, or

  —The date of assuming office, whichever is later.

- The period covered ends on:

  —December 31.

Leaving Office Statement—On a leaving office Statement, you must disclose financial interests held during the period.

- The period covered begins on:

  —January 1 (the day after the closing date* of a previous annual Statement), or

  —The effective date of the Conflict of Interest Code, or

  —The date of assuming office, whichever is later.

- The period covered ends on:

  —The date that you leave office.

Candidate's Statement**—On a candidate's Statement, you must report the financial interests you held on the date you filed your candidate's statement (which must be no later than the final filing date of your declaration of candidacy).

Exceptions:

- If you assumed office between October 1 and December 31, and filed an assuming office Statement, you do not need to file an annual Statement until one year following the date specified in your agency's Code for filing annual Statements (if this filing date is April 1 or earlier). If you choose to do this, the first annual Statement you file will cover a period longer than a calendar year and the period will begin on the effective date of the Conflict of Interest Code, or the assuming office date.

  Example. If you assumed office on December 15, 1984, and your agency's deadline is April 1, you will not file an annual Statement for the April 1, 1985, deadline, but will wait until the 1986 deadline. The period covered by your annual Statement filed in 1986 will be December 15, 1984, through December 31, 1985.

- If you leave office between January 1 and the filing deadline of your annual Statement, you may combine your leaving office Statement and your annual Statement. The period covered will begin on January 1 (the day after the closing date of your previous annual Statement), or on the day after the date of your previous initial, or assuming office Statement, and end on the date you leave office. If the date you leave office is after the filing deadline of your annual Statement, you may not combine your Statements, and must file both an annual and leaving office Statement.

  Example. If you left office on February 16, 1985, and your filing deadline was April 1, 1985, you may combine your annual Statement and your leaving office Statement. This Statement will cover January 1, 1984, (the day after the closing date of your previous annual Statement), through February 16, 1985, your leaving office date. Your Statement would be due within 30 days of leaving office.

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*The "closing date" is the last date during a period for which you must disclose. The closing date of an annual Statement is December 31.

**These provisions apply only to candidates for elective office, but not all Conflict of Interest Codes require candidates to file Statements of Economic Interests. If you are a candidate for an elective office covered by a Conflict of Interest Code, check the Code to see if you have to file.

WHERE MUST STATEMENTS BE FILED?

If you are the head of an agency, member of a board or commission not under a department of state government, or a member of a board or commission not under the jurisdiction of a local legislative body, you should file one original with your agency, which shall make and retain a copy and forward the original to the filing officer.

If you hold any other position, consult your Conflict of Interest Code. The Code will tell you where to file the original of your Statement.

WHAT INTERESTS MUST BE DISCLOSED?

Consult your agency's Conflict of Interest Code to determine the types of interests you are required to disclose. These interests are described in the disclosure categories applicable to your position, which are listed in your agency's Code.

In general, the kinds of interests which may have to be disclosed are:

—Investments (partnerships, common stock, etc.), worth more than $1,000 in business entities located in, or doing business in, your agency's jurisdiction.

—Interests in real property, worth more than $1,000, located in your agency's jurisdiction.

—Interests in real property and investments held by a business entity or trust.

—Income, aggregating $250 or more received during the reporting period, from a source located in, or doing business in, your agency's jurisdiction.

—Loans, aggregating $250 or more received or outstanding during the reporting period, received from a source located in, or doing business in, your agency's jurisdiction.

—Gifts aggregating $50 or more received during the reporting period from any one source located inside or outside your agency's jurisdiction.

—Business positions.

—Income and loans to business entities (including rental property).

Detailed explanations of these interests are provided in this Manual and on the Statement of Economic Interests (Form 730).

HOW TO COMPLETE A STATEMENT OF ECONOMIC INTERESTS

Check your agency's Conflict of Interest Code to find the disclosure category assigned to your position. Your disclosure category determines the types of interests you must report. Before completing the schedules, read the instructions on the Statement of Economic Interests (Form 730) and in this Manual.

Definitions of terms frequently used in the schedules:

"Jurisdiction"—means the state with respect to most state agencies and, with respect to a local government agency, the region, county, city, district or other geographical area in which it has authority.

A business entity or source of income is located in, or doing business in the jurisdiction if it or a parent, subsidiary, or related business entity:

—Manufactures, distributes or sells products or services on a regular basis in the jurisdiction.
—Plans to do business in the jurisdiction.
—Has done business in the jurisdiction within the previous two years.
—Has an interest in real property in the jurisdiction.
—Has an office in the jurisdiction.

An interest in real property is in the jurisdiction of a local agency if it is located in or within two miles of the jurisdiction of the agency, or if it is located in or within two miles of any land owned or used by the agency. An interest in real property is located within the jurisdiction of a state agency if it is located anywhere within the State of California.

"Immediate Family"—means yourself, your spouse, and your dependent children.

"Pro rata share"—to determine your "pro rata share" of an interest in real property or investment held by a business entity, multiply the value of the interest or investment by the percentage of the business entity owned by you and your immediate family.

For information on blind trusts, see Appendix I. For information on reporting interests in rental property, see Appendix II.

COVER SHEET AND SUMMARY PAGE

The cover sheet is self-explanatory and requires you to state your name, address, the type of Statement being filed and the period covered by the Statement.

You **must** complete the summary page on the reverse side of the cover sheet, but it should not be filled in until you have read the instructions for each of the schedules and completed, or determined that you do not need to complete, each of the schedules.

The summary page requires you to indicate whether each of the eight schedules is:

—Completed and attached.
—Not completed because you have no interests to report, or
—Not applicable to your disclosure category or to the type of Statement you are filing.

EXAMPLE, SUMMARY PAGE

Assuming the following facts, if you were filing an annual Statement, the sample summary page would be completed as indicated:

Schedule A—Investments. Your agency's Conflict of Interest Code requires you to report investments in entities which are contractors and land developers. You have an investment in a land development company located in your jurisdiction worth more than $1,000. You reported it on Schedule A. On the summary page, under Schedule A—Investments, check the box for "Schedule completed and attached."

Schedule B—Interests in Real Property. Your agency's Conflict of Interest Code requires you to report all types of interests in real property. The only real property that you own is your residence, which is exempt from disclosure. Thus, you did not complete Schedule B. On the summary page, under Schedule B—Interests in Real Property, check the box for "No reportable interests."

Schedule C—Interests in Real Property and Investments Held by Business Entities or Trusts. Because you have a 50% ownership interest in your land development company, you were required to, and did, complete Schedule C by reporting interests in real property and investments held by your land development company, worth more than $1,000, of the type required to be disclosed under your agency's Conflict of Interest Code. On the summary page, under Schedule C—Interests in Real Property and Investments Held by Business Entities, check the box for "Schedule completed and attached."

Schedule D—Income. Your agency's Code requires you to report income from any source. You received income from your land development company which you reported on Schedule D. On the summary page, under Schedule D—Income, check the box for "Schedule completed and attached."

Schedule E—Income (Loans). Your agency's Code requires you to report income (which includes loans). You did not receive any loans and had no outstanding loans. Therefore, you did not complete Schedule E. On the summary page, under Schedule E—Loans, check the box for "No reportable interests."

Schedule F—Income (Gifts). Your agency's Code requires you to report income (which includes gifts). You did not receive any gifts and did not complete Schedule F. On the summary page, under Schedule F—Gifts, check the box for "No reportable interests."

Schedule G—Business Positions. Your agency's Code does not require you to report business positions. You are not required to complete Schedule G. On the summary page, under Schedule G—Business Positions, check the box for "Schedule not applicable to my disclosure category."

Schedule H—Income and Loans to Business Entities. Your agency's Code requires you to report all sources of income. Your pro rata share of a payment received by your land development company from a client located in your jurisdiction was over $10,000. You reported the name of this client on Schedule H. On the summary page, under Schedule H—Income and Loans to Business Entities, check the box for "Schedule completed and attached."

The summary page would appear as follows:

SCHEDULE A—Investments

☒ Schedule completed and attached ☐ No reportable interests ☐ Schedule not applicable to my disclosure category

SCHEDULE B—Interests in Real Property

☐ Schedule completed and attached ☒ No reportable interests ☐ Schedule not applicable to my disclosure category

SCHEDULE C—Interests in Real Property and Investments Held by Business Entities or Trusts

☒ Schedule completed and attached ☐ No reportable interests ☐ Schedule not applicable to my disclosure category

SCHEDULE D—Income (other than Gifts and Loans)

☒ Schedule completed and attached ☐ No reportable interests ☐ Schedule not applicable to this type of Statement or to my disclosure category

SCHEDULE E—Income (Loans)

☐ Schedule completed and attached ☒ No reportable interests ☐ Schedule not applicable to this type of Statement or to my disclosure category

SCHEDULE F—Income (Gifts)

☐ Schedule completed and attached ☒ No reportable interests ☐ Schedule not applicable to this type of Statement or to my disclosure category

SCHEDULE G—Business Positions

☐ Schedule completed and attached ☐ No reportable interests ☒ Schedule not applicable to my disclosure category

SCHEDULE H—Income and Loans to Business Entities

☒ Schedule completed and attached ☐ No reportable interests ☐ Schedule not applicable to my disclosure category

Note: Filers whose reportable interests on any particular schedule have not changed since a previously filed annual Statement may attach copies of the appropriate schedule from the previous annual Statement. Please discard those schedules on which you have nothing to report.

VERIFICATION

I declare under penalty of perjury that I have used all reasonable diligence in preparing this Statement, that I have reviewed the attached schedules and to the best of my knowledge the information provided in this Statement is true and correct.

Executed on Date, 19 ____, at City

SIGNATURE

(FILER'S SIGNATURE)

All of the information required by this form is mandatory, is required by the provisions of the Political Reform Act, Government Code Section 81000 *et seq.*, and will be available to any member of the public upon request. This information is to be used to reveal to public scrutiny certain financial interests of public officials and employees in order to disclose potential conflicts of interests and to aid in the prevention of actual conflicts of interests.

SCHEDULE A
Investments

You must report investments (i.e., any financial interest in, or security issued by, a business entity, including, but not limited to, common stock, bonds, warrants, options, debt instruments and any partnership or other ownership interest) of the type described in your disclosure category located in, or doing business in, your agency's jurisdiction, in which you and your immediate family had an aggregate interest of more than $1,000 during the reporting period.

REPORTING INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)

If you have an investment interest in an Individual Retirement Account worth more than $1,000, you must report the IRA on Schedule A unless the IRA is totally invested in a mutual fund registered with the SEC or some other type of investment exempt from disclosure on Schedule A. In addition, you must report an investment interest worth more than $1,000 held through the IRA unless:

—Your funds are pooled with those of other investors; and

—Your interest in the IRA, or in any particular investment interest held by the IRA, is less than 10%.

You do not have to report investments held by an IRA if those investments are exempt from disclosure on Schedule A (e.g. insurance policies).

NEW REQUIREMENT: REPORTING PARTNERSHIPS

If you have an investment of more than $1,000 in a limited or general partnership with 35 or fewer partners and there are only one or two general partners, you may be required to list an investment in those general partners as well as listing your investment in the partnership. For specific advice, you should consult with Commission staff.

EXCEPTIONS: You are *not* required to disclose the following:

—Time or demand deposits in a financial institution (for example, bank accounts, savings accounts)

—Shares in a credit union

—Insurance policies

—Bonds and other debt instruments issued by any government or government agency

—Diversified mutual funds registered with the Securities and Exchange Commission

—Common trust funds created under California Financial Code Section 1564

—Investments acquired by a blind trust pursuant to FPPC Regulation 18235 (For a discussion of blind trusts see Appendix I, following Schedule H)

For each reportable investment you must report the following:

—Name of the business entity.

—Nature of the investment (common stock, partnership).

—Description of its business activity.

—Date you acquired or disposed of the investment if you did so during the period covered by the Statement (not applicable to initial, assuming office or candidate's Statements).

—Value of your investment. For purposes of determining the value of an investment, you should use the highest fair market value of the asset during the period. For initial or assuming office Statements, you should use the fair market value of the asset as of the effective date of your Code or the date you assumed office, respectively. The fair market value of a publicly traded stock is determined by its reported selling price. The fair market value of a non-public stock is determined by the price it was sold, or by some other reasonable measure.

—Ownership interest. Report whether you, your spouse and your immediate family had an ownership interest of less than 10%, or 10% or greater, in a business entity.

EXAMPLE, SCHEDULE A

Assume that your disclosure category requires the reporting of investments in business entities which are contractors, land developers, or manufacturers of equipment used by your agency. Now assume that:

—You have a 50% partnership interest in ABC Land Developers, located within your agency's jurisdiction, valued at $250,000. You did not acquire or dispose of this investment during the reporting period.

—On February 1, you purchased $800 worth of stock in XYZ Corporation, a national company which manufactures equipment of the type used by your agency. On March 1, the fair market value of the stock was $1,200. On May 1, you sold the stock for $900. XYZ Corporation does business in your agency's jurisdiction.

Schedule A should be completed as follows:

NAME OF BUSINESS ENTITY ABC LAND DEVELOPERS		VALUE	☐ $1,001–$10,000 ☐ $10,001–$100,000 ☒ Over $100,000
NATURE OF INTERESTS, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC. Partnership			
GENERAL DESCRIPTION OF BUSINESS ACTIVITY Land Developer	☐ ACQUIRED ☐ DISPOSED DATE	OWNERSHIP INTEREST	☐ Less than 10% ☒ *10% or greater
NAME OF BUSINESS ENTITY XYZ CORPORATION		VALUE	☒ $1,001–$10,000 ☐ $10,001–$100,000 ☐ Over $100,000
NATURE OF INTERESTS, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC. Common Stock			
GENERAL DESCRIPTION OF BUSINESS ACTIVITY Manufactures Widgets	☒ ACQUIRED 2/1/84 ☒ DISPOSED DATE 5/1/84	OWNERSHIP INTEREST	☒ Less than 10% ☐ *10% or greater

NOTE: YOU MUST REPORT ON SCHEDULE D ANY SALARY, COMMISSION, DISTRIBUTION OR OTHER INCOME ($250 OR MORE) FROM INVESTMENTS LISTED ON SCHEDULE A RECEIVED BY YOU OR YOUR SPOUSE.

* If you have checked this box, you may have to report your interests in real property and investments held by the business entity on Schedule C; your pro rata share of the business's total gross income on Schedule D; and, if your pro rata share of the gross income from any one source was $10,000 or more, the name of that source on Schedule H.

SCHEDULE B

Interests in Real Property

You must report interests in real property described in your disclosure category, located in your agency's jurisdiction, in which you and your immediate family had an aggregate interest of more than $1,000 during the reporting period, including any ownership interest, deed of trust, option to acquire such an interest, or leasehold interests.*

REPORTING INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)

If you have an investment interest in an Individual Retirement Account worth more than $1,000, you must report the IRA on Schedule A unless the IRA is totally invested in a mutual fund registered with the SEC or some other type of investment exempt from disclosure on Schedule A. In addition, on Schedule B, you must report real property interests located in your jurisdiction worth more than $1,000 held through the IRA unless:

—Your funds are pooled with those of other investors; and

—Your interest in the IRA, or in any particular real property interest held by the IRA, is less than 10%.

* An interest in a lease on real property is reportable if the value of the leasehold interest is more than $1,000. The value of the leasehold interest is the total amount of rent owed by you during the period covered by the Statement or, on an assuming office or initial Statement, during the prior 12 months. No leasehold interest with a value of $1,000 or less need be reported. When reporting a leasehold interest, you must include the address or other precise location of the leased property and the date upon which the lease became effective if this occurred during the period covered by the Statement.

EXCEPTIONS: you are *not* required to disclose the following:

—Your principal place of residence. However, if your principal place of residence is also a place of business, e.g., a family farm or retail store, you are required to disclose that portion of the interest in real property which is used in connection with your business activities if your business comes within your disclosure category.

—Interests in real property acquired by a blind trust pursuant to FPPC Regulation 18235. (For discussion of blind trusts see Appendix I, following Schedule H.)

For each reportable interest in real property you must report the following:

—Street address and city. If there is no street address, you must state the lot number and subdivision, the assessor's parcel number, or other precise location of the real property, and the city.

—Nature of your interest (equity, deed of trust, option, sole or part owner).

—Date you acquired or disposed of the real property if you did so during the period covered by the Statement (not applicable for initial or assuming office Statements).

—Value of your interest. The value of property is the purchase price plus any appreciation since it was purchased.

—If rental property, whether you, your spouse and your immediate family had an ownership interest of less than 10%, or 10% or greater.

EXAMPLE, SCHEDULE B

Assume that your disclosure category requires disclosure of interests in real property located within your agency's jurisdiction. Now, assume that:

—You have a 25% interest in a commercial rental building at 14738 Spruce Street, Little Town. Your interest in the building is $85,000 and you did not acquire or dispose of the property during the reporting period; and

—During the reporting period, you paid $4,500 to obtain an option to buy a parcel of land located at AP 5748 47390, Little Town, Blossom County.

—You hold a $10,500 interest in a deed of trust on property located at 7667 Mosswood Circle, Little Town, Blossom County.

All parcels of property are located within your agency's jurisdiction.

Schedule B should be completed as follows:

STREET ADDRESS OR PRECISE LOCATION OF PROPERTY	CITY	VALUE	
14738 Spruce Street	Little Town		☐ $1,001–$10,000
NATURE OF INTEREST, E.G., OPTION, OWNERSHIP, LEASEHOLD			☒ $10,001–$100,000
Ownership interest			☐ Over $100,000
☐ ACQUIRED	IF RENTAL PROPERTY		☐ Less than 10%
☐ DISPOSED DATE	OWNERSHIP INTEREST		☒ *10% or greater
STREET ADDRESS OR PRECISE LOCATION OF PROPERTY	CITY	VALUE	
AP 5748 47390	Little Town		☒ $1,001–$10,000
NATURE OF INTEREST, E.G., OPTION, OWNERSHIP, LEASEHOLD			☐ $10,001–$100,000
Option			☐ Over $100,000
☒ ACQUIRED	IF RENTAL PROPERTY		☐ Less than 10%
☐ DISPOSED DATE February 2, 1983	OWNERSHIP INTEREST		☐ *10% or greater
STREET ADDRESS OR PRECISE LOCATION OF PROPERTY	CITY	VALUE	
7667 Mosswood Circle	Little Town		☐ $1,001–$10,000
NATURE OF INTEREST, E.G., OPTION, OWNERSHIP, LEASEHOLD			☒ $10,001–$100,000
Deed of Trust			☐ Over $100,000
☐ ACQUIRED	IF RENTAL PROPERTY		☐ Less than 10%
☐ DISPOSED DATE	OWNERSHIP INTEREST	*	☒ 10% or greater

NOTE: YOU MUST REPORT ON SCHEDULE D ANY INCOME ($250 OR MORE) FROM REAL PROPERTY LISTED ON SCHEDULE B RECEIVED BY YOU OR YOUR SPOUSE.

* If you checked this box, you may have to report your pro rata share of the total gross rental income (if $250 or more) on Schedule D; and if your pro rata share of the gross rent from any source was $10,000 or more, the name of that source on Schedule H.

SCHEDULE C

Interests in Real Property and Investments Held by Business Entities or Trusts

If, during the reporting period, you and your immediate family had a 10% or greater interest in a business entity or in a trust, and

If, during the reporting period, the business entity or trust held interests in real property or investments of the type covered by your disclosure category:

1. You must report such interests in real property if your pro rata share in any interest in real property is more than $1,000 and if the real property is located in your agency's jurisdiction (report this on Schedule C-1); and
2. You must report such investments if your pro rata share of any investment is more than $1,000 and the investment is in a business entity located in, or doing business in, your agency's jurisdiction (report this on Schedule C-2).

In addition, you must report the business entity holding such investments or interests in real property on Schedule A.

For each reportable interest in real property or investment you must provide the same information that is required for any other interest in real property or investment. (See discussions of Schedules A and B.)

TRUSTS: According to FPPC Regulation 18234, you have an interest in a trust if you are:

1. A maker and:
   a. can revoke or terminate the trust; or
   b. have retained any rights to the income or principal of the trust or retained any reversionary or remainder interest; or
   c. have retained any power of appointment including the power to change the beneficiaries.
2. A beneficiary and:
   a. presently receive income; or
   b. have an irrevocable future right to receive income or principal.

If you are only a trustee, you do not have a reportable interest in the trust.

EXAMPLE, SCHEDULE C

Assume that your disclosure category requires the reporting of real property located within your agency's jurisdiction and investments in business entities which are contractors, land developers, or manufacturers of building supplies. Also, assume that:

—You have a 50% partnership interest in ABC Land Developers worth $250,000;

—ABC Land Developers owns real property worth $300,000 located within your agency's jurisdiction, and common stock worth $3,000 in Ajax Building Materials, which does business in your jurisdiction. Neither the real property, nor the stock was acquired or disposed of during the reporting period.

The real property and common stock held by ABC Land Developers should be reported as follows:

Schedule C-1
Interests in Real Property

NAME OF BUSINESS ENTITY OR TRUST HOLDING INTERESTS IN REAL PROPERTY
ABC LAND DEVELOPERS

STREET ADDRESS OR PRECISE LOCATION OF PROPERTY: AP 029 589202
CITY: Little Town
NATURE OF INTEREST, E.G., OPTION, OWNERSHIP, LEASEHOLD: Ownership interest
☐ ACQUIRED
☐ DISPOSED DATE

VALUE
☐ $1,001–$10,000
☐ $10,001–$100,000
☒ Over $100,000

Schedule C-2
Investments

NAME OF BUSINESS ENTITY OR TRUST HOLDING INVESTMENTS
ABC LAND DEVELOPERS

NAME OF ENTITY: Ajax Building Materials
NATURE OF INVESTMENT, E.G., COMMON STOCK, PARTNERSHIP INTEREST, ETC.: Common Stock
GENERAL DESCRIPTION OF BUSINESS ACTIVITY: Manufactures Bldg supplies
☐ ACQUIRED
☐ DISPOSED DATE

VALUE
☒ $1,001–$10,000
☐ $10,001–$100,000
☐ Over $100,000

Your 50% interest in ABC Land Developers may have to be reported on Schedule A.

SCHEDULE D

Income (Other than Gifts and Loans)

You must report your gross income, including your community property interest in your spouse's gross income, from sources described in your disclosure category. Gross income is the total amount of income before deducting expenses, losses, or taxes. Income includes all payments aggregating $250 or more received from any source located in, or doing business in, your agency's jurisdiction.

Some common forms of income to be reported on this schedule include salary, income from a business, wages, interest, proceeds from any sale, including sale of your house or car, forgiveness or payment of indebtedness received by you, per diem, and reimbursement for expenses. Your income also includes your pro rata share of any income of a trust or business entity (including rental property) in which you and your spouse have a 10% or greater interest. If you sell your house or car, the total sales price is reportable regardless of any obligation you might have to pay on loans secured by the property.

Income in the form of loans should be reported on Schedule E and income in the form of gifts should be reported on Schedule F.

REPORTING HONORARIA

"Honorarium" means a payment for speaking at any event, participating in a panel or seminar, or performing a similar service. You must report **all** honoraria of $50 or more received from any source during the reporting period.*

Reportable honoraria include:

—Payments of $50 or more

—Any extra benefits provided which were not provided directly in connection with the event

—Reimbursement or payment for travel **outside** California

You are **not** required to report the following benefits provided directly in connection with the event in which you participated:

—Free admission

—Food and beverage

—Similar nominal benefits

—Reimbursement or advance for travel **within** California

An employee of a State agency who wishes to accept an honorarium from a lobbyist who is registered to influence your agency should consult FPPC Regulation 18623.

EXCEPTIONS: You need not disclose income on initial or assuming office Statements. In addition, you are *not* required to disclose the following:

—Salary or reimbursements for expenses and per diem received from a federal, state or local government agency

—Reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization

—Campaign contributions

—Devise or inheritance

—Dividends, interest or other return on a security which is registered with the Securities and Exchange Commission of the U.S. Government

—Payments received under an insurance policy

—Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union, an insurance policy, or a bond or other debt instrument issued by a government or government agency

—Income of dependent children

—Redemption of a mutual fund

—Alimony or child support payments

—Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a)

—Income from assets acquired by a blind trust (for a discussion of blind trusts see Appendix I following Schedule H)

* An honorarium must be reported as a gift unless it is clear from all of the surrounding circumstances that the services provided represented equal or greater value than the payment received. When a filer claims that an honorarium is not a gift, he or she shall have the burden of proving that the consideration was of equal or greater value, unless the filer is a defendant in a criminal action.

A filer who elects not to report an honorarium as a gift on Schedule F must report the honorarium as income on Schedule D.

When income from a *reportable* source is disclosed, you must include the following:

—Name of the source of income

—Address of the source of income

—Business activity of the source of income

—Description of the consideration for which the income was received

—Amount or value received

EXAMPLE, SCHEDULE D

Assume that you received the following income during the reporting period:

—$2,000 in dividends from stock registered with the Securities and Exchange Commission;

—$35,000 in salary from Smith and Jones Insurance Company, which is in your jurisdiction;

—$1,500 in interest and repayment of a loan from Ace Plumbing, which is not in your jurisdiction;

—$4,800 in total rental income from a duplex, which is located in your jurisdiction;

—$1,800 in payments from Mr. Goodguy on a loan secured by a deed of trust;

Your spouse received $18,000 in salary from General Widget Company, a manufacturing firm located in your jurisdiction.

Of the income you received, the following is not reportable income:

—The dividend income, because the stock is registered with the Securities and Exchange Commission;

—The interest and repayment from Ace Plumbing because it is not located in your jurisdiction, nor does it do business within your agency's jurisdiction.

With respect to your spouse's income, only your community property interest (50%) is reportable.

Schedule D should be completed as follows:

NAME OF SOURCE OF INCOME Smith and Jones Insurance Company ADDRESS OF SOURCE OF INCOME 110 Main Street, Little Town, California BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY Insurance Brokerage DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED Personal Services	AMOUNT ☐ $250–$1,000 ☐ $1,001–$10,000 ☒ Over $10,000
NAME OF SOURCE OF INCOME Duplex ADDRESS OF SOURCE OF INCOME 104 Main Street, Little Town, California BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY Rental Property DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED Rental	AMOUNT ☐ $250–$1,000 ☒ $1,001–$10,000 ☐ Over $10,000
NAME OF SOURCE OF INCOME General Widget Company ADDRESS OF SOURCE OF INCOME 567 Main Street, Little Town, California BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY Manufactures Widgets DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED Personal Services of Spouse	AMOUNT ☐ $250–$1,000 ☒ $1,001–$10,000 ☐ Over $10,000
NAME OF SOURCE OF INCOME Mr. Goodguy ADDRESS OF SOURCE OF INCOME 7667 Mosswood Circle, Little Town, California BUSINESS ACTIVITY OF SOURCE OF INCOME, IF ANY Store Manager DESCRIPTION OF THE CONSIDERATION FOR WHICH INCOME WAS RECEIVED Payments on loan secured by deed of trust	AMOUNT ☐ $250–$1,000 ☒ $1,001–$10,000 ☐ Over $10,000

SCHEDULE E—Income

Loans

You must report loans including real estate loans and margin accounts to either yourself or your spouse, aggregating $250 or more which were received or were outstanding during the reporting period from any source of income covered by your disclosure category located in, or doing business in, your agency's jurisdiction.

EXCEPTIONS: You need not disclose loans on initial or assuming office Statements. In addition, you are *not* required to disclose the following:

—Any loan from a commercial lending institution used to purchase, refinance the purchase of, or for improvements to, your principal place of residence if the loan was made in the lender's regular course of business on terms available to members of the public without regard to official status.

—Any loan or loans from a commercial lending institution which did not exceed $10,000 at any time during the period covered by the Statement, if the loan or loans were made in the lender's regular course of business on terms available to the public without regard to official status.

—Any indebtedness created as part of a retail installment or credit transaction made in the creditor's regular course of business on terms available to the public without regard to official status if the aggregate amount owed to the creditor did not exceed $10,000 at any time during the period covered by the Statement.

—Any loan from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any such person, except that a loan from any such person is reportable if the lender is acting as an intermediary or agent for any person not covered by this provision.

For each loan, you must disclose the following:

—Name of the lender

—Address of the lender

—Business activity of the lender

—Security, if any, given for the loan

—Annual interest rate

—Whether the entire loan has been repaid

—Highest amount outstanding on the loan at any time during the reporting period.

EXAMPLE. SCHEDULE E

Assume that:

—In 1977, you bought your home and financed it with a mortgage through a savings and loan on their standard terms and with a second mortgage which the seller, Joe Smith, took in place of a larger down payment. Your disclosure category requires you to report all sources of income and both Joe Smith and the savings and loan are located in your jurisdiction. At the beginning of 1984, you owed Smith $2,000 and during the year you paid him back enough so that at the end of the year you owed him $800.

—In 1983, you bought a parcel of land and financed it through a savings and loan on their standard terms. The savings and loan is located in your jurisdiction. At the beginning of 1984, you owed the savings and loan $12,000, and during the year you paid back enough so that at the end of the year you owed $9,500.

You do not have to report:

—The mortgage held by the savings and loan because it was used to purchase your principal place of residence.

You must report:

—The debt to Joe Smith at the highest amount owed during the reporting period. Although the loan was used to purchase your principal place of residence, it was not a loan made by a commercial lender in the regular course of business on terms available to members of the public without regard to official status.

—The debt to the savings and loan at the highest amount owed during the reporting period ($12,000). Although this loan was from a commercial lending institution in the normal course of business, it is reportable because the amount owed exceeded $10,000 during the reporting period.

Schedule E should be completed as follows:

NAME OF LENDER Joe Smith		Amount of Highest Balance	☐ $250–$1,000 ☒ $1,001–$10,000 ☐ Over $10,000
ADDRESS OF LENDER 123 Main Street, Little Town			
BUSINESS ACTIVITY OF LENDER Building Contractor			
SECURITY FOR LOAN Home ☐ NONE	ENTIRE LOAN REPAID ☐	INTEREST RATE 18%	☐ NONE
NAME OF LENDER Greatest Savings and Loan		Amount of Highest Balance	☐ $250–$1,000 ☐ $1,001–$10,000 ☒ Over $10,000
ADDRESS OF LENDER 123 Main Street, Little Town			
BUSINESS ACTIVITY OF LENDER Lending Institution			
SECURITY FOR LOAN Land ☐ NONE	ENTIRE LOAN REPAID ☐	INTEREST RATE 18%	☐ NONE

SCHEDULE F—Income

Gifts

You must disclose gifts received during the reporting period aggregating $50 or more from any source of income covered by your disclosure category, without regard to the location of the source.

You have received a gift if you receive an item of value and do not provide anything of equal or greater value in return for that item. It is the acceptance of the gift, and not the ultimate use to which it is put, that imposes a reporting obligation on you. Thus, you must report a gift even if you never make use of it or if you give it away to other persons. If the exact amount of the gift is not known, you must make a good faith estimate of the item's fair market value. Listing the value of the gift as "over $50" is not adequate disclosure. Gifts are reportable without regard to where the donor is located.

REPORTING HONORARIA

"Honorarium" means a payment for speaking at an event, participating in a panel or seminar, or performing a similar service. You must report **all** honoraria of $50 or more received from any source during the reporting period.

Reportable honoraria include:

—Payments of $50 or more

—Any extra benefits provided which were not provided directly in connection with the event

—Reimbursement or payment for travel **outside** California

You are **not** required to report the following benefits provided directly in connection with the event in which you participated:

—Free admission

—Food and beverage

—Similar nominal benefits

—Reimbursement or advance for travel **within** California

An employee of a State agency who wishes to accept an honorarium from a lobbyist who is registered to influence your agency should consult FPPC Regulation 18623.

EXCEPTIONS: You need not disclose gifts on initial or assuming office Statements. In addition, you are *not* required to disclose the following:

—Food, drink or lodging provided in an individual's home.

—Gifts approximately equal in value exchanged between you and an individual other than a lobbyist, on holidays, birthdays or similar occasions.

—Gifts of informational material, such as books, pamphlets, reports, calendars or periodicals.

—Gifts from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, provided that a gift from any such person must be disclosed if the donor is acting as an agent or intermediary for a reportable source of income.

—Gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes.

For each gift you must disclose the following:

—Name of the donor

—Address of the donor

—Business activity, if any, of the donor

—Date the gift was received

—Value of the gift

—Description of the gift

If you receive a gift through an intermediary, you must disclose the name, address and business activity of both the donor and the intermediary.

EXAMPLE, SCHEDULE F

Assume that:

—You received season tickets worth $300 to a professional baseball team from Valley Pipe Systems.

—You received a complimentary dinner worth $75 from Le Connoisseur Restaurant.

If, under your disclosure category, the sources of both gifts are reportable, Schedule F should be completed as follows:

NAME OF DONOR Valley Pipe Systems	DATE(S) OF GIFT(S) March 1, 1984
ADDRESS OF DONOR 200 E Fifth, Hometown	VALUE OF GIFT(S) $300
BUSINESS ACTIVITY OF DONOR, IF ANY Manufactures irrigation & plumbing supplies	DESCRIPTION OF GIFT(S) Season tickets to Hometown A's baseball team
NAME OF DONOR Le Connoisseur Restaurant	DATE(S) OF GIFT(S) September 15, 1984
ADDRESS OF DONOR 1100 Broadway, Little Town	VALUE OF GIFT(S) $75
BUSINESS ACTIVITY OF DONOR, IF ANY Restaurant	DESCRIPTION OF GIFT(S) Complimentary dinner

SCHEDULE G

Business Positions

You must report the name of any business entity for which you are a director, officer, parther, trustee, employee or hold any position of management. The following information must be disclosed:

—Name of the entity

—Address of the entity

—General description of the business activity of the entity

—Your job title or position

—Period of time you held the business position

EXAMPLE, SCHEDULE G

Assume that your disclosure category requires you to disclose business positions in entities which are contractors, land developers or manufacturers of equipment used by your agency. You have been a partner in ABC Land Developers during the entire reporting period. You would report that position as follows:

NAME OF ENTITY	ADDRESS OF ENTITY
ABC Land Developers	5744 Tenth Street, Little Town
GENERAL DESCRIPTION OF BUSINESS ACTIVITY	YOUR JOB TITLE OR POSITION
Land Developer	Partner
Position Held Through Entire Reporting Period? [X] Yes [ ] No	Position commenced on _____ Position terminated on _____

SCHEDULE H
Income and Loans to Business Entities
(Including rental property)

If, during the reporting period, you or your spouse owned an aggregate interest of 10% or more in any business entity (including rental property), you must provide the name of each individual or entity covered by your disclosure category which:

1. Is located in, or is doing business in, your agency's jurisdiction; and
2. Made payments, including loans, to the business entity or rental property if your pro rata share of such payments (including your community property interest in your spouse's share) is $10,000 or more.

This reporting requirement is determined by the jurisdiction of the source of loan or income, not by the jurisdiction of the business entity which received the loan or income, or by the location of the rental property.

FPPC Regulation 18740 contains information regarding the procedure for exempting from disclosure clients' names which are legally recognized as privileged under California law. If you wish to obtain such an exemption, you must obtain a copy of Regulation 18740 by contacting the Fair Political Practices Commission.

The business entity must be reported on Schedule A and the gross income from the business must be reported on Schedule D.

> NOTE: If your pro rata share of income or a loan is $250 or more, you may be required to disqualify yourself from decisions affecting that source of income or loan, even though you are not required to report it.

EXAMPLE, SCHEDULE H

Assume that:

—During the reporting period ABC Land Developers, in which you have a 50% partnership interest, received a loan in the amount of $30,000 from the Little Town Bank, which has a branch office located in your jurisdiction.

—ABC Land Developers received a gross payment from John H. Brown, a customer, in the amount of $15,000.

—You personally own a commercial building from which income was received from a single rental tenant in the amount of $40,000. You have a 25% ownership interest in the commercial building.

Your disclosure category requires you to report all sources of income.

You would:

—Report the loan to ABC Land Developers from the Little Town Bank because your pro rata share (50%) of the $30,000 loan would be $15,000 and would meet the reporting threshold, and the business entity is covered by your disclosure category and is located in your jurisdiction.

—Not report the name of John H. Brown, the customer, because your pro rata share (50%) of his $15,000 gross payment is only $7,500 and would not meet the $10,000 reporting threshold.

—Report the name of the rental tenant who provided payments in the amount of $40,000 to the commercial building because your pro rata share (25%) of the rental payments is $10,000 and would meet the reporting threshold, and the tenant is of the type covered by your disclosure category and is located in your jurisdiction.

Schedule H-1 would be completed as follows:

NAME OF BUSINESS ENTITY	ADDRESS OF BUSINESS ENTITY
ABC Land Developers	5744 Tenth Street, Little Town
ACTIVITY OF BUSINESS ENTITY Land Developers	
Names of Sources of Income and Loans to the Business Entity	
Little Town Bank	

Schedule H-2 would be completed as follows:

You must disclose the name(s) of any renter(s) who made rent payments, provided that your pro rata share of such receipts was $10,000 or more.

ADDRESS OF RENTAL PROPERTY	
14738 Spruce Street, Little Town	
NAME(S) OF RENTERS Sylvan Taylor, M.D.	

APPENDIX I
Blind Trusts

According to FPPC Regulation 18235, if you have a direct, indirect or beneficial interest in a blind trust that meets certain standards, you are not required to disclose your pro rata share of the trust's assets acquired after the trust meets the standards, or income derived from such assets. However, you must continue to disclose the assets originally transferred into the blind trust and income from the original assets until the trustee notifies you that they have been replaced. To qualify as a blind trust:

1. The trustee must be a disinterested party and someone other than a member of your family;
2. The trustee must not disclose information regarding the replacement assets, except for certain minimal tax information;
3. The trustee must be given complete discretion to manage the trust without consulting or notifying you; and
4. The trustee must be required to notify you of the date of disposition and value at disposition of any original investments or interests in real property.

If a blind trust is revoked while you are a public official, or if you learn of any replacement assets of the trust, you must amend your most recent Statement, disclosing the date of revocation and/or the previously unreported information. When completing a Statement you must disclose the existence of the blind trust, its date of creation and name of the trustee. You must also attach a statement, signed by the trustee, indicating under penalty of perjury that no information regarding assets or income of the trust has been revealed to you other than information allowed under the regulation and that the trust conforms with the standards. If you wish to create a blind trust, we suggest that you and your trustee review FPPC Regulation 18235 together.

APPENDIX II

Reporting Interests in Rental Property

If you or your immediate family own a 10% or greater interest in a piece of rental property directly, i.e., not through a business entity, you should report:

—The property on Schedule B;

—Your share of the total amount of rents received from the property on Schedule D; and

—The name of any tenants who pay rents of which your share is $10,000 or more on Schedule H.

If you or your immediate family own a 10% or greater interest in a business entity, such as a partnership or joint venture, which owns rental property, you should report:

—The business entity on Schedule A;

—The property on Schedule C-1;

—Your share of the total amount of income received from the business entity, including rents, on Schedule D; and

—The name of any tenants who pay rents of which your share is $10,000 or more on Schedule H.

If you or your immediate family own less than a 10% interest in a piece of rental property directly, i.e., not through a business entity, you should report:

—The property on Schedule B; and

—Rent received from the property on Schedule D.

You do not have to report the name of any tenants.

If you or your immediate family own less than a 10% interest in a business entity, such as a partnership or joint venture, which owns rental property, you should report:

—The business entity on Schedule A; and

—Income received from the business entity, including rents on Schedule D.

You do not have to report either the rental property or the tenants.

APPENDIX III

Reporting Honoraria

An honorarium is a payment received for speaking at an event, participating in a panel or seminar or providing a similar service. It is reportable if it is received from a source of income of the type described in your disclosure category.

Any reportable honoraria you received during the reporting period, if $50 or more, must be disclosed on Schedule D (Income) or Schedule F (Gifts):

—If you did not provide services of equal or greater value than the honorarium, the entire honorarium is a gift, which should be reported on Schedule F if it was $50 or more.

—If you did provide services of equal or greater value than the honorarium, the entire honorarium is income which should be reported on Schedule D if it was $250 or more. It is up to you to demonstrate that you provided services of equal or greater value than the honorarium if you choose to treat it as income rather than as a gift.