

**Executive Department**  
State of California

**FILED**  
In the office of the Secretary of State  
of the State of California

NOV 8 - 1976

MARCH FONG EU, Secretary of State

By *[Signature]*  
Deputy

EXECUTIVE ORDER NO. B-23-76

WHEREAS, the Political Reform Act of 1974, Government Code Section 87100 et seq., requires all offices, departments, and agencies to adopt a Conflict of Interest Code;

NOW, THEREFORE, I, Edmund G. Brown Jr., Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, hereby adopt this Conflict of Interest Code for the Governor's Office to become effective on December 1, 1976:

**CONFLICT OF INTEREST CODE**

**I. Introduction.**

This Code is adopted pursuant to the Political Reform Act of 1974, Government Code Section 87100 et seq. The Governor's Office Statement of Economic Interests is attached to this Code as Exhibit "A" and incorporated by reference herein, and contains a complete description of the manner of disclosing reportable interests which, pursuant to Government Code Sections 87206 and 87207, is required. Each designated employee shall comply with all requirements of the Statement of Economic Interests.

**II. Designated Employees.**

(a) Persons holding the following positions are "designated employees":

- Executive Assistant to the Governor
- Senior Assistant to the Governor
- Assistant to the Governor
- Administrative Assistant II
- Administrative Assistant I
- Staff Assistant
- Junior Staff Analyst
- Consultants to the Office of the Governor who are public officials within the meaning of Government Code Sections 82048 and 87100, and 2 Cal. Adm. Code Section 18700(a) (2)

# **Executive Department**

**State of California**

**PAGE TWO**

- (b) Persons on assignment from another agency to the Governor's Office holding positions which entail the making or participation in making of governmental decisions which may materially affect any financial interest shall be designated employees within this Conflict of Interest Code.
- (c) The Executive Assistant to the Governor shall upon the assignment or appointment of persons to positions within paragraph (b), notify such persons of their coverage within the provisions of this Code.

The Director of Administration shall maintain a list of all designated employees.

### **III. Statements of Economic Interests.**

Each designated employee shall file an annual statement disclosing that employee's reportable interests. The following interests are reportable:

- (a) Any California business entity in which the designated employee has a direct or indirect investment worth more than one thousand dollars (\$1,000);
- (b) Any interest in real property located in the State of California, other than the principal residence of the employee, in which the designated employee has a direct or indirect interest worth more than one thousand dollars (\$1,000);
- (c) Any California business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management (hereinafter referred to as management positions);
- (d) Any income from a source within California other than loans by a commercial lending institution in the regular course of business, aggregating two hundred fifty dollars (\$250) or more received by or promised to the designated employee during the reporting period;

# Executive Department

State of California

PAGE THREE

- (e) Any gifts from a single source of twenty-five dollars (\$25) or more received by or promised to the designated employee during the reporting period.

## IV. Filing of Statement.

- (a) All designated employees shall file an initial Statement of Economic Interests with the Director of Administration within 30 days of the adoption of this Executive Order. The initial Statement of Economic Interests shall report all reportable investments, interests in real property, and management positions held by the employee as of the effective date of this Code.
- (b) Annual statements shall be filed by all designated employees during the month of January, disclosing reportable investments in business entities, interests in real property, income, gifts and management positions held or received in the period since the closing date of the employee's previously filed statement and December 31st.
- (c) Persons who become designated employees must file initial statements at least ten days before assuming employment, unless earlier assumption of employment is required by emergency circumstances.
- (d) Upon leaving employment in the Governor's Office, each designated employee must file a statement covering any period subsequent to the adoption of this Code which is not included in his or her most recent Statement of Economic Interests filed pursuant to this Code, disclosing all reportable interests specified in Section III of this Code.
- (e) The Director of Administration, who shall be the filing officer, shall provide advance notice of each filing deadline to all designated employees.

# Executive Department

State of California

PAGE FOUR

## V. Disqualification.

Each designated employee shall disqualify himself or herself from making or participating in making any decision when it is reasonably foreseeable that the decision will have a material financial effect on any reportable interest of the employee. A reportable interest is any interest which is reportable on the Governor's Office Statement of Economic Interests except gifts of less than \$250. If the material financial effect of the decision on the employee's financial interest is not distinguishable from its effect on the public generally, or on a significant segment of the public, disqualification by the designated employee is not required.

## VI. Definitions.

All terms are defined as provided in the Political Reform Act of 1974, the regulations of the Fair Political Practices Commission, and any amendments to the Act and regulations.

In addition, "California business entity" is any business entity which operates for profit if the entity or any parent, subsidiary, or otherwise related business entity has an interest in real property in California or does business, plans to do business, or has done business in California within two years of this statement.

"Indirect investment or interest" means any investment or interest owned by the spouse or dependent child of a designated employee, by an agent on behalf of a designated employee, by any business entity controlled by the designated employee or by a trust in which he or she has a substantial interest. A business entity is controlled by a designated employee if the employee, his or her agents, spouse and dependent children hold more than fifty percent of the ownership interest in the entity. A designated employee has a substantial interest in a trust when the employee, his or her spouse and dependent children have a present or future interest worth more than one thousand dollars (\$1,000).

**Executive Department**

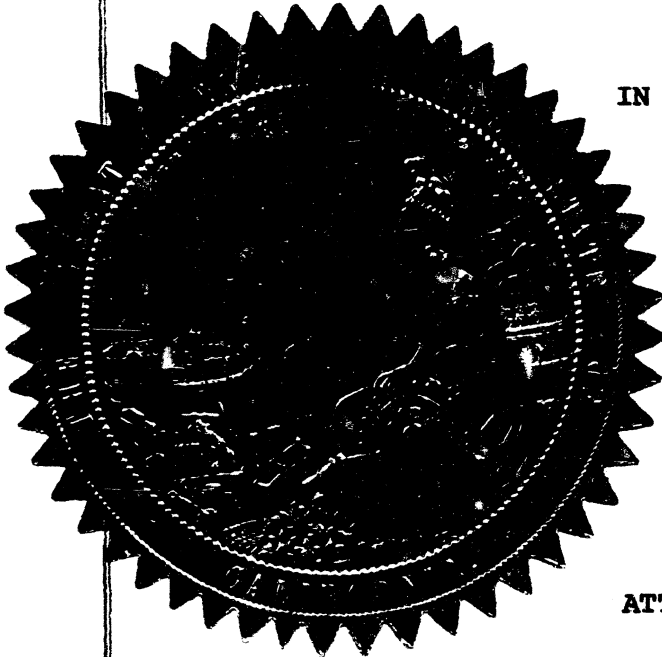
State of California

PAGE FIVE

Any designated employee who has questions about any of the terms or requirements of this Code or Statements of Economic Interests, should refer to the definitions in the Political Reform Act of 1974, Government Code Section 87200 et seq.

**VII. Sanctions.**

Violation of this Code may subject the employee to the civil and criminal sanctions provided in the Political Reform Act of 1974, Government Code Section 91000 et seq.



IN WITNESS THEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this sixth day of November, A.D. nineteen hundred and seventy-six.

Governor of California

ATTEST

Secretary of State

by   
Deputy Secretary of State

"EXHIBIT 'A'"  
(with Schedules A through H)

GOVERNOR'S OFFICE

STATEMENT OF ECONOMIC INTERESTS

1. Name (print) \_\_\_\_\_

2. Address \_\_\_\_\_  
(Residence or Business)

3. Check the appropriate box:

( ) This is my initial Statement. (Complete only Schedules A, B, C and D. Do not complete Schedules E, F and G.)

( ) This is my anniversary Statement. (Complete all Schedules.)

Reporting Period:

January 1, \_\_\_\_\_ to December 31, \_\_\_\_\_

( ) This is my termination Statement. (Complete all Schedules.)

Reporting Period:

\_\_\_\_\_ to \_\_\_\_\_  
(Termination Date)

Schedule A.

Investments over \$1,000

You must report each of your investments valued over \$1,000 in any California business entity. An investment is any direct or indirect financial interest in or security issued by a business entity, including but not limited to, common stock preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest.

You must also indicate whether the value of your reportable investment exceeds \$10,000 or \$100,000. You should consider the highest fair market value of the asset during the period covered. You should indicate the date you acquired or disposed of the investment only if acquisition or disposal occurred during the reporting period.

In addition, if you or your spouse owns directly, indirectly or beneficially a ten percent or greater interest in a business entity or trust which holds investments in other business entities which do business, plan to do business or have done business in the last two years in California, you must report your pro rata share of such investments if your share is worth over \$1,000.

**EXCEPTIONS:** DO NOT report the following as investments:

- Any investment of less than \$1,000 value.
- Time or demand deposits in financial institutions (e.g., bank accounts, savings accounts).
- Shares in a credit union.
- Insurance policies.
- Bonds and other debt instruments issued by any government agency.

		(Check One)
----- (Name of Company)		( ) Value exceeds \$1,000 but does not exceed \$10,000.
----- (General Description of Business Activity)		( ) Value exceeds \$10,000 but does not exceed \$100,000.
----- (Nature of your Interest, e.g., Common Stock, Partnership, etc.)		( ) Value exceeds \$100,000.
Date Acquired _____	Date Disposed of _____	

Schedule B.

Interests in Real Property over \$1,000

You must report each direct or indirect interest in real property located in California, other than your principal residence, if the fair market value of your interest is more than \$1,000. An interest in real property is any leasehold, beneficial or ownership interest, or an option to acquire such an interest in real property.

If you have a loan on your real property, you should consider only your equity interest. For example, if you own property with a fair market value of \$25,000 in which you have an \$8,000 equity (with \$17,000 still owed to the mortgagee), your reportable interest is \$8,000. You should indicate the date you acquired or disposed of the real property only if acquisition or disposal occurred during the reporting period.

In addition, if you or your spouse owns directly, indirectly or beneficially a ten percent or greater interest in any business entity or trust which holds real property in California, you must report your pro rata share in the property if your share is worth over \$1,000.

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(Check One)

-----  
(Street address or precise location of property. If no street address, use book and page number at which deed is recorded, obtainable from County Recorder's Office.)

( ) Value exceeds \$1,000 but does not exceed \$10,000.

-----  
'Nature of interest, e.g. equity, option.)

( ) Value exceeds \$10,000 but does not exceed \$100,000.

Date Acquired _____	Date Disposed of _____
---------------------	------------------------

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Schedule C.

Investments and Interests in Real Property

Held by California Business Entities you Control

If you hold a direct or indirect interest of 50 percent or more in a California business entity listed in Schedule A, you must report all investments of that entity worth over \$1,000 in California business entities, and all interests in real property worth over \$1,000 held by that entity in California. A separate Schedule C must be completed for each business entity.

\_\_\_\_\_  
(Name of Entity you Control)

C(1) Investments held by business entity you control.

		(Check One)
----- (Name of Investment)		( ) Value exceeds \$1,000 but does not exceed \$10,000.
----- (General Description of Business Activity)		( ) Value exceeds \$10,000 but does not exceed \$100,000.
----- (Nature of Interest, e.g. Common Stock, etc.)		( ) Value exceeds \$100,000.
Date Acquired _____	Date Disposed of _____	

C(2) Interests in real property held by business entity you control.

		(Check One)
----- (Street address or precise location of property. If no street address, use book and page number at which deed is recorded, obtainable from County Recorder's Office.)		<input type="checkbox"/> Value exceeds \$1,000 but does not exceed \$10,000.
----- (Nature of interest, e.g., equity, option.)		<input type="checkbox"/> Value exceeds \$10,000 but does not exceed \$100,000.
-----		<input type="checkbox"/> Value exceeds \$100,000
Date Acquired _____	Date Disposed of _____	

Schedule D.

Management Positions

You must list any California business entity in which you are now a director, officer, partner, trustee, employee or hold any position of management.

EXCEPTIONS: DO NOT report a business entity in which you have a management position if the organization or enterprise is not operated for profit.

Name of Entity

Your Position

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Schedule E.

California Income Aggregating \$250 or More

You must disclose income from any source within California of any nature aggregating \$250 or more which you receive from any one source during the reporting period.

EXCEPTIONS: DO NOT report the following as income:

- Income from a former employer if all income from the employer was received by or accrued to you prior to the time you become a designated employee, the income was received in the normal course of your employment, and you have no expectation of renewed employment with your former employer.
- Salary or reimbursements for expenses and per diem received from a state or local government agency.
- Gifts. These are reportable on Schedule F.
- Loans by a commercial lending institution in the regular course of business.
- Reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization.
- 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.
- Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or insurance policy, payments received under an insurance policy, or any bond or other debt instrument issued by a government or government agency.

	(Check One)
----- (Name of the Source of Income)	<input type="checkbox"/> Amount or value received was greater than \$250 but was not greater than \$1,000.
----- (Address of the Source of Income)	<input type="checkbox"/> Amount or value received was greater than \$1,000 but was not greater than \$10,000.
----- (Business Activity of the Source of the Income)	<input type="checkbox"/> Amount or value received was greater than \$10,000.

-----  
(Description of the Consideration, if any, for the income, e.g. employment.)

Schedule F.

Gifts Aggregating \$25 or More

You must report gifts from a single source totalling \$25 or more during the reporting period.

EXCEPTIONS: DO NOT report the following as gifts:

- Any gift of hospitality involving food, drink or lodging which you have reciprocated during the reporting period.
- Gifts from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother or sister-in-law, aunt, uncle or first cousin, or the spouse of any such person.
- Any gift which was not used and which you returned within 30 days.
- Any gift which was not used and which, within 30 days, you delivered to a charitable organization without claiming it as a charitable contribution for tax purposes.
- Gifts of informational material, such as books, pamphlets, reports, calendars or periodicals.

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----- (Name of Donor)	----- Date(s) of Gift(s)
----- (Address)	----- Value of Gift(s)

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Schedule G.

Income of Business Entities

Which Provide Legal or Brokerage Services

You must complete Schedule G if you or your spouse owns a ten percent or greater interest in a California business entity which provides legal or brokerage services, such as an insurance brokerage, a real estate brokerage or a stock brokerage. You must disclose the name, address and business activity of the entity and list all persons who paid fees to the business entity if your pro rata share from each such person was \$1,000 or more. \*

\_\_\_\_\_

-----

(Name of Business Entity)

-----

(Address of Business Entity)

-----

(Description of its Business Activity)

\_\_\_\_\_

List the name of each individual or entity who paid fees to the above business entity if your pro rata share of the fees was \$1,000 or more.

_____	_____
_____	_____
_____	_____
_____	_____

\_\_\_\_\_

\*See 2 California Administrative Code Section 18740 re procedure for non-disclosure, based on recognized privilege under California law.

Schedule H.

Income of Business Entities

Which do not Provide Legal or Brokerage Services

You must complete Schedule H if you or your spouse owns a ten percent or greater interest in a California business entity which does not provide legal or brokerage services. You must disclose the name of the entity, its address and a description of its activity as well as the name of each person from whom the entity received payments if your pro rata share from each such person was \$10,000 or more.

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(Name of Business Entity)

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---

(Address of Business Entity)

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(Description of its Business Activity)

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List the name of each individual or entity from whom the above business entity received payments if your pro rata share of gross receipts from the individual or entity was \$10,000 or more:

_____	_____
_____	_____
_____	_____
_____	_____

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VERIFICATION

I declare under penalty of perjury that I have used all reasonable diligence in preparing this statement and to the best of my knowledge it is true and complete.

Executed on \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_,  
California.

\_\_\_\_\_  
(Signature)