

California
Fair Political Practices Commission
AB 1743 Fact Sheet
Placement Agents: Lobbying Registration Requirements

Registration Requirements

Effective January 1, 2011, individuals who serve as placement agents before an entity such as CalPERS or CalSTRS must register as lobbyists and file disclosure reports. ([AB 1743](#), Chapter 668, Stats. 2010). This fact sheet outlines the registration process and contains important information regarding restrictions applicable to lobbyists. Individuals are encouraged to contact the Fair Political Practices Commission ("FPPC") at 1-866-275-3772 for specific guidance. The FPPC is considering regulations to clarify the new law's application.

Who Must File

"Placement agent" means any person hired, engaged, or retained by, or serving for the benefit of or on behalf of, an external manager, or on behalf of another placement agent, who acts or has acted for compensation as a finder, solicitor, marketer, consultant, broker, or other intermediary in connection with the offer or sale of the securities, assets, or services of an external manager to a board or an investment vehicle, either directly or indirectly.

However, the new law provides exceptions for certain individuals from registering as a lobbyist. Individuals who are uncertain of their status are advised to contact the FPPC. For purposes of this fact sheet, "placement agent" means an individual who must register as a lobbyist.

Registration Deadline

Individuals who qualify as placement agents must file registration forms with the Secretary of State. In addition, forms may be filed online with [Secretary of State](#).

- An individual must register as a lobbyist **before acting as a placement agent** in connection with any potential system investment made by a state public retirement system. (California Government Code Section 7513.86)
- Lobbyist forms may be filed in December for those who wish to do so.

Required Forms and Payment

An individual who qualifies as a placement agent must complete and sign Form 604 - Lobbyist Certification Statement. Please note an individual must mark the box that he/she will attend the Lobbyist Ethics Orientation Course within 12 months of registering as a lobbyist. **This form must be filed along with one of the following form(s):**

- If a placement agent is employed on a "**contract basis**", the **Form 604 is filed with the Form 601** - Lobbying Firm Registration Statement. Generally, the placement agent will complete both forms. The external management firm, other placement agent or similar entity will complete the **Form 602** - Lobbying Firm Activity Authorization. Three forms must be filed under this arrangement. (See Illustration A)
- If a placement agent is an "**employee**" of an external management firm or another placement agent, the required forms are different. In this case, **the Form 604 is filed with Form 603** - Lobbyist Employer/Lobbying Coalition Registration Statement, which identifies the external management firm, another placement agent or similar entity. (See Illustration B)

In addition, include:

- \$50 registration fee payable to Secretary of State for each lobbyist
- Recent photograph from the shoulders up of each lobbyist

Quarterly disclosure forms must be filed with the Secretary of State. These forms identify the amount of compensation received and related information. The FPPC will post information regarding this requirement in early 2011. The first quarterly report that may be required is due May 2, 2011.

Lobbyist Restrictions

Unlawful Gifts.

It is unlawful for a lobbyist, or lobbying firm, to make gifts to a person aggregating more than ten dollars (\$10) in a calendar month, or to act as an agent or intermediary in the making of any gift, or to arrange for the making of any gift by any other person, if that person works for a state retirement system such as CalPERS or CalSTRS. (California Government Code Section 86203)

Contributions.

An elected state officer or candidate for elected state office may not accept a contribution from a lobbyist, and a lobbyist may not make a contribution to an elected state officer or candidate for elected state office, if that lobbyist is registered to lobby the governmental agency for which the candidate is seeking election or the governmental agency of the elected state officer. (California Government Code Section 85702) (e.g. CalPERS Board Members, CalSTRS Board Members, Supt. of Public Instruction, State Treasurer, State Controller)

Other Prohibitions.

No lobbyist or lobbying firm shall:

- Do anything with the purpose of placing any elected state officer, legislative official, agency official, or state candidate under personal obligation to the lobbyist, the lobbying firm, or the lobbyist's or the firm's employer.
- Deceive or attempt to deceive any elected state officer, legislative official, agency official, or state candidate with regard to any material fact pertinent to any pending or proposed legislative or administrative action.
- Cause or influence the introduction of any bill or amendment thereto for the purpose of thereafter being employed to secure its passage or defeat.
- Attempt to create a fictitious appearance of public favor or disfavor of any proposed legislative or administrative action or to cause any communication to be sent to any elected state officer, legislative official, agency official, or state candidate in the name of any fictitious person or in the name of any real person, except with the consent of such real person.
- Represent falsely, either directly or indirectly, that the lobbyist or the lobbying firm can control the official action of any elected state officer, legislative official, or agency official.
- Accept or agree to accept any payment in any way contingent upon the defeat, enactment, or outcome of any proposed legislative or administrative action. (California Government Code Section 86205)

Resources:

1. CA Fair Political Practices Commission: www.fppc.ca.gov
 - [Telephone and Email Advice](#)
 - [Lobbying Manual and Forms](#)
2. CA Secretary of State: www.sos.ca.gov
 - [Electronic Filing Information](#)
3. CA State Controller: www.sco.ca.gov
4. CA Public Employees Retirement Board: www.CalPERS.ca.gov
5. CA State Teachers Retirement Board: www.CalSTRS.com
6. Senate Committee on Legislative Ethics - Information on [Lobbyist Ethics Orientation Course](#), schedule and sign-up form.
7. [AB 1743](#)

Frequently Asked Questions

1. What forms are required if more than one employee of an entity qualifies as a placement agent and must register as a lobbyist?
 - A. *Each individual placement agent must complete Form 604. A recent photo from the shoulders up and a \$50 registration fee is required for each lobbyist. These are filed with one Form 603.*
2. I qualify as a placement agent/lobbyist - when must the forms be filed with the Secretary of State?
 - A. *Individuals may not contact agencies such as CalPERS or CalSTRS unless the individual/placement agent is registered to lobby and the external manager/client is identified on lobbying registration forms. Registration forms identifying the parties must be on file before communications with agencies such as CalPERS or CalSTRS can take place.*
3. May I file my registration forms electronically?
 - A. *You may file your registration forms electronically, but all registration documents must also be filed in paper with original signatures. (Link 2 under Resources)*
4. A registered lobbying firm (Firm A) with an individual placement agent/lobbyist has registered several external managers as clients which Firm A will be representing before CalPERS and CalSTRS. Firm A decides it wants to subcontract with another individual/placement agent to represent one of Firm A's registered clients before CalPERS and CalSTRS.

What registration forms are required?

- A. The registration forms are different depending whether the subcontractor is registered as a lobbying firm as described below:
 - *Firm A must provide to the subcontracting firm, Firm B, Form 602, Lobbying Firm Activity Authorization, which lists the name(s) of the subcontracted external manager(s).*
 - *Firm B, if **currently registered**, completes Form 605, Amendment to Registration and identifies Firm A in Part I. Both Firm A and the identity of the subcontracted external managers are provided in Part II, Section B. File both the Form 605 and the Form 602 with Secretary of State.*
 - *Firm B, if **not registered**, completes Form 601, Lobbying Firm Registration Statement. In Part I, list each individual placement agent who will be representing "clients" before CalPERS and CalSTRS, and include a Form 604, Lobbyist Certification Statement for each lobbyist. Complete Part II, Section B, identifying Firm A and the subcontracted external manager(s). File Forms 601, 604, and the Form 602 with Secretary of State, along with the lobbyist photo(s) and the registration fees.*

Note: The law requires a specific description of the external manager, on Page 2 of the Form 602/603. Most entities must check the Business category in and, in the appropriate sections, further define the nature and interest of the external manager.

5. What if information changes on my registration forms?
 - A. *In most cases, amendments to the registration forms must be filed within 20 days of the change. This includes information such as a change of address. The exception is for the entities registered as lobbying firms. Those entities must file Form 602 for each new external manager prior to attempting to influence CalPERS or CalSTRS on behalf of that client as noted in Question 2.*
6. My offices are located in New York and Chicago. Is the Lobbyist Ethics Orientation Course offered online?
 - A. *No, the Lobbyist Ethics Orientation Course is not offered online. Information concerning the course schedule and sign up is available on the websites of the CA Secretary of State (Link 2 under Resources), the CA Fair Political Practices Commission (Link 1 under Resources), and the Senate Committee on Legislative Ethics (Link 6 under Resources).*

Added 1/2011

7. The lobbying registration forms request a date qualified. How is that date determined?
- A. *Generally, that date is the day an individual is employed to engage as a placement agent before a California state public employee pension program. Individuals must file lobbying registration forms before engaging in communications with the state agencies.*
8. Traditionally, our company provides a contingency fee or bonus for successful arrangements. May we continue to offer these financial benefits?
- A. *Government Code Section 86205(f) specifically prohibits contingency fees and similar arrangements. A written document outlining payment services should be kept in order to show compliance with the law.*
9. Our firm anticipates contacts with the pension program administrators for the University of California. Must our firm's placement agents register?
- A. *Yes. The law provides no exemptions for the University of California's pension system.*

Lobbying Firm Registration Statement <small>(Government Code Section 86104)</small> Type or Print in Ink SEE INSTRUCTIONS ON REVERSE NAME OF LOBBYING FIRM: Jordan Woods Investment Management Company BUSINESS ADDRESS: (Number and Street) (City) (State) (Zip Code) 152 Broad Street New York NY 10012 MAILING ADDRESS: (If different than above.)	Legislative Session 2011 - 2012 <small>(Insert Years)</small> Page _____ of _____	CALIFORNIA FORM 601 <small>FAIR POLITICAL PRACTICES COMM. For Official Use Only</small>						
	If this is an initial registration, enter the DATE QUALIFIED as a Lobbying Firm: 1/1/2011 TELEPHONE NUMBER: 212 555-1234 FAX NUMBER: (Optional) () E-MAIL: (Optional) email@web.net							
I Individual Lobbyists List the full name of each partner, owner, officer, or employee of your lobbying firm who is a lobbyist. Attach a Form 604 for each lobbyist. Do not list any individual who is separately registered as a lobbying firm or who is employed by a lobbying firm with which you subcontract. If your firm does not have a partner, owner, officer, or employee who qualifies as a lobbyist, state "not applicable." <table border="1"> <tr> <td>Jordan Woods</td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </table> <input type="checkbox"/> If more space is needed, check box and attach continuation sheets.			Jordan Woods					
Jordan Woods								
II Lobbyist Employers Use Section A to report each client with whom your firm has a direct contract to provide lobbying services. Use Section B to report lobbying firms with which your firm subcontracts to provide lobbying services and the clients on whose behalf your firm will lobby. Attach a Form 602 for each person identified in Section A or B.								
SECTION A Employer's Name, Address and Telephone Number Redrock Inc. 601-555-5678 1725 Savannah Pl., Chicago, IL 60202 Agencies to be Lobbied: CalPERS; CalSTRS								
Effective Date: 1-1-2011 Period of Contract: Ongoing Description of Employer's Lobbying Interests: Investments								

ILLUSTRATION A

Lobbying Firm Activity Authorization <small>(Government Code Section 86104)</small> Check <i>one</i> box, if applicable <input checked="" type="checkbox"/> Lobbyist Employer <small>(Gov. Code Section 82039.5)</small> <input type="checkbox"/> Lobbying Coalition <small>(FPPC Regulation 18616.4)</small> Type or Print in Ink NAME OF FILER: Redrock Inc. BUSINESS ADDRESS: (Number and Street) (City) (State) (Zip Code) 1725 Savannah Pl. Chicago IL 60202 MAILING ADDRESS: (If different than above.)	Legislative Session 2011-2012 <small>(Insert Years)</small> Page _____ of _____	CALIFORNIA FORM 602 <small>FAIR POLITICAL PRACTICES COMM. For Official Use Only</small>
	EFFECTIVE DATE: 1/1/2011 TELEPHONE NUMBER: 601,555-5678 FAX NUMBER: (Optional) () E-MAIL: (Optional)	
I hereby authorize Jordan Woods Investment Management Company <small>(Name of Lobbying Firm)</small> 152 Broad Street, New York, NY 10012 <small>(Business Address)</small> to engage in the activities of a lobbying firm (as defined in California Government Code Section 82038.5 and 2 Cal. Code of Regs. Section 18238.5) on behalf of the above named employer.		
If you are authorizing another lobbying firm to lobby on behalf of your firm's client(s), provide the name(s) of the client(s) below. (It is not necessary to complete the Nature and Interests section.)		
NAME OF SUBCONTRACTED CLIENT:		NAME OF SUBCONTRACTED CLIENT:
NAME OF SUBCONTRACTED CLIENT:		NAME OF SUBCONTRACTED CLIENT:

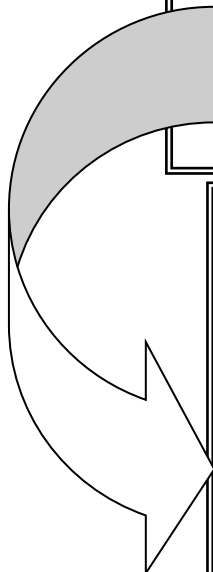
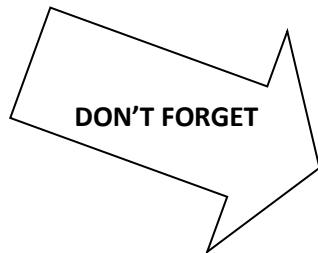


ILLUSTRATION
A
CONT'D

Lobbyist Certification Statement <small>(Government Code Section 86103)</small>		Legislative Session 2011-2012 <small>(Insert Years)</small>	CALIFORNIA FORM 604 <small>FAIR POLITICAL PRACTICES COMM.</small> For Official Use Only
Type or Print in Ink <input type="checkbox"/> Check Box if an Amendment			
NAME OF LOBBYIST: (Last) (First) (M.I.) Woods Jordan E		If this is an Initial Certification, enter the DATE QUALIFIED as a Lobbyist: 1/1/2011	
BUSINESS ADDRESS: (Number and Street) (City) (State) (Zip Code) 152 Broad Street New York NY 10012		TELEPHONE NUMBER: (212) 555-1234	
MAILING ADDRESS: (If different than above)		FAX NUMBER: (Optional) ()	
NAME OF LOBBYIST EMPLOYER OR LOBBYING FIRM: Jordan Woods Investment Management		E-MAIL: (Optional) email@web.net	
I. LOBBYIST ETHICS ORIENTATION COURSE			
Check one box: <input checked="" type="checkbox"/> I have not taken the course within the previous 12 months. I will attend the course (check one): <input checked="" type="radio"/> New Certification – Within the next 12 months <input type="radio"/> Renewal – By June 30 of the next calendar year <input type="checkbox"/> I completed the course on _____ (Mo./Day/Year)			
II. AGENCIES LOBBIED			
Check one box: <input checked="" type="checkbox"/> I will lobby the agencies identified on the Lobbyist Employer or Lobbying Firm Registration Statement (Form 601/603) and subsequent amendments. <input type="checkbox"/> I will <i>only</i> lobby the agencies identified below: Will you lobby the State Legislature? State Agencies: _____ <input type="radio"/> Yes <input type="radio"/> No			



Woods, Jordan E

_____	_____
_____	_____
_____ Secretary of State	_____ \$50.00
Fifty Exactly -----	
Memo: Jordan Woods	
_____	_____

<p>Check the applicable box:</p> <p><input checked="" type="checkbox"/> Lobbyist Employer Registration Statement</p> <p><input type="checkbox"/> Lobbying Coalition Registration Statement (Government Code Section 86105)</p> <p>Type or Print in Ink</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Legislative Session</td> <td style="text-align: center;">CALIFORNIA FORM 603 <small>FAIR POLITICAL PRACTICES COMM.</small> For Official Use Only</td> </tr> <tr> <td style="text-align: center;">2011 - 2012 <small>(Insert Years)</small></td> <td></td> </tr> <tr> <td style="text-align: center;">Page _____ of _____</td> <td></td> </tr> </table>	Legislative Session	CALIFORNIA FORM 603 <small>FAIR POLITICAL PRACTICES COMM.</small> For Official Use Only	2011 - 2012 <small>(Insert Years)</small>		Page _____ of _____	
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2011 - 2012 <small>(Insert Years)</small>							
Page _____ of _____							
<p>NAME OF LOBBYIST EMPLOYER OR LOBBYING COALITION:</p> <p style="text-align: center;">Investors Bank LLC</p> <p>BUSINESS ADDRESS: (Number and Street) (City) (State) (Zip Code)</p> <p style="text-align: center;">170 Wall Street San Francisco CA 94102</p> <p>MAILING ADDRESS: (If different than above)</p>							
<p>If this is an initial registration, enter the DATE QUALIFIED:</p> <p style="text-align: center;">1/1/2011</p> <p>TELEPHONE NUMBER: (415) 555-4456</p> <p>FAX NUMBER: (Optional) ()</p> <p>E-MAIL: (Optional) email@web.net</p>							
<p>I Lobbyists and Lobbying Firms Employed</p> <p>List the full name of each in-house lobbyist employed and each lobbying firm with which you contract.</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">In-House Employee Lobbyists:</td> <td style="width:50%;">Lobbying Firms:</td> </tr> <tr> <td style="height: 40px; vertical-align: top;">Dan Dobbins</td> <td></td> </tr> <tr> <td style="height: 40px;"></td> <td></td> </tr> </table> <p><input type="checkbox"/> If more space is needed, check box and attach continuation sheets.</p>		In-House Employee Lobbyists:	Lobbying Firms:	Dan Dobbins			
In-House Employee Lobbyists:	Lobbying Firms:						
Dan Dobbins							
<p>II List Below the State Agencies Whose Actions you Will Attempt to Influence</p> <p>Will you attempt to influence the State Legislature? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">CaPERS</td> <td style="width:50%;"></td> </tr> <tr> <td>CaSTRS</td> <td></td> </tr> <tr> <td style="height: 40px;"></td> <td></td> </tr> </table> <p><input type="checkbox"/> If more space is needed, check box and attach continuation sheets.</p>		CaPERS		CaSTRS			
CaPERS							
CaSTRS							
<p>III Description of Lobbying Interests</p> <p>For assistance, see the instructions on the back of this form or the "Information Manual on Lobbying Disclosure Provisions of the Political Reform Act."</p> <p style="text-align: center; font-size: 1.2em;">Investments</p>							

<p>Lobbyist Certification Statement (Government Code Section 86103)</p> <p>Type or Print in Ink</p> <p><input type="checkbox"/> Check Box if an Amendment</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Legislative Session</td> <td style="text-align: center;">CALIFORNIA FORM 604 <small>FAIR POLITICAL PRACTICES COMM.</small> For Official Use Only</td> </tr> <tr> <td style="text-align: center;">2011 - 2012 <small>(Insert Years)</small></td> <td></td> </tr> </table>	Legislative Session	CALIFORNIA FORM 604 <small>FAIR POLITICAL PRACTICES COMM.</small> For Official Use Only	2011 - 2012 <small>(Insert Years)</small>		
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2011 - 2012 <small>(Insert Years)</small>						
<p>NAME OF LOBBYIST: (Last) (First) (M.I.)</p> <p style="text-align: center;">Dobbins Dan R</p> <p>BUSINESS ADDRESS: (Number and Street) (City) (State) (Zip Code)</p> <p style="text-align: center;">170 Wall Street San Francisco CA 94102</p> <p>MAILING ADDRESS: (If different than above)</p>		<p>If this is an Initial Certification, enter the DATE QUALIFIED as a Lobbyist:</p> <p style="text-align: center;">1/1/2011</p> <p>TELEPHONE NUMBER: (415) 555-4456</p> <p>FAX NUMBER: (Optional) ()</p> <p>E-MAIL: (Optional) email@web.net</p>				
<p>NAME OF LOBBYIST EMPLOYER OR LOBBYING FIRM:</p> <p style="text-align: center;">Investors Bank LLC</p>						
<p>I. LOBBYIST ETHICS ORIENTATION COURSE</p> <p>Check one box:</p> <p><input checked="" type="checkbox"/> I have not taken the course within the previous 12 months. I will attempt to complete the course within the next 12 months.</p> <p><input checked="" type="checkbox"/> New Certification - Within the next 12 months</p> <p><input checked="" type="checkbox"/> Renewal - By June 30 of the next calendar year</p> <p><input type="checkbox"/> I completed the course on ____/____/____ <small>(Mo./Day/Year)</small></p>						
<p>II. AGENCIES LOBBIED</p> <p>Check one box:</p> <p><input checked="" type="checkbox"/> I will lobby the agencies identified on the Lobbyist Employer or Lobbyist and subsequent amendments.</p> <p><input type="checkbox"/> I will <i>only</i> lobby the agencies identified below:</p> <p>Will you lobby the State Legislature? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>State Agencies: _____</p>						



Dobbins, Dan R

<p>_____</p> <p>_____</p> <p>_____ Secretary of State</p> <p>_____ Fifty Exactly -----</p> <p>Memo: Dan Dobbins</p>	<p>_____</p> <p>_____</p> <p>_____ \$50.00</p>
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