



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Miadich, Commissioners Baker, Cardenas, Wilson, and Wood

From: Erika M. Boyd, Senior Counsel, Legal Division
Sukhi Brar, Assistant General Counsel

Subject: Limited Liability Company (LLC) Statement of Members (Form 409)

Date: December 6, 2021

Commission-sponsored legislation, SB 686 (Glazer), was approved by the Governor on September 27, 2021. It enacts reporting requirements for specified Limited Liability Companies (LLCs) participating in California elections. Specifically, SB 686 requires an LLC, if it qualifies as a committee or committee sponsor, to file a statement of members with the Secretary of State. The statement must disclose all members who have a membership interest in the LLC of at least 10% or who have made a cumulative capital contribution of at least \$10,000 to the LLC within the 12 months prior to qualification as a committee or sponsor of a committee, as well as other detailed information. The law goes into effect on January 1, 2022 and Commission staff has proposed the attached Limited Liability Company Statement of Members Form 409 for adoption.

The draft Form with instructions was made available on the Commission's website in November for public review and comment. One comment was received regarding the Form number, resulting in a change in the number from Form 419 to Form 409 to alleviate confusion because the form number 419 has been used in the past. We also worked in consultation with the Secretary of State's office regarding the requirement for a "secure electronic signature" and added instructional language for such signatures. All changes made since the Form was noticed are highlighted in green.

We recommend your approval of the following:

- Form 409 – Limited Liability Company (LLC) Statement of Members