

1 Amend 2 Cal. Code Regs., Section 18237 to read:

2 **§ 18237. Definition of “Investment.”**

3 (a) For purposes of Section 82034, the term “investment” does not include a fund,
4 including an exchange traded fund (ETF), closed-end fund or fund held in a plan qualified under
5 Sections 401(k), 403(b), 457 or similar provision of the Internal Revenue Code (qualified plan),
6 that is substantially similar to a “diversified mutual fund registered with the Securities and
7 Exchange Commission under the Investment Company Act of 1940” if all the following are met:

8 (1) The fund is a bona fide investment fund that pools money from more than 100
9 investors and invests the money in stocks, bonds, or other securities.

10 (2) The fund holds securities of more than 15 issuers.

11 (3) The public official did not influence or control the decision to purchase or sell the
12 specific fund on behalf of ~~his or her~~ the official’s agency during the applicable reporting period.

13 (4) The public official does not influence or control the selection of any specific
14 investment purchased and sold on behalf of the fund.

15 (5) The fund does not have a stated policy of concentrating its holdings in the same
16 industry or business.

17 (b) For purposes of subdivisions (a)(1) and (a)(2), an ETF, closed-end fund or qualified
18 plan is presumed to have more than 100 investors and hold securities of more than 15 issuers.

19 Note: Authority cited: Section 83112, Government Code. Reference: Section 82034,
20 Government Code.