

**State of California
Office of Administrative Law**

In re:
Department of Business Oversight

Regulatory Action:

Title 10, California Code of Regulations

Adopt sections:

Amend sections: 250.30

Repeal sections: 5.2000, 5.2001

NOTICE OF FILING AND PRINTING ONLY

Government Code Section 11343.8

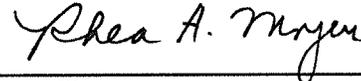
OAL Matter Number: 2016-0721-02

OAL Matter Type: File and Print Only (FP)

This is a Conflict of Interest code that has been approved by the Fair Political Commission and is being submitted for filing with the Secretary of State and printing only.

OAL filed this regulation(s) or order(s) of repeal with the Secretary of State, and will publish the regulation(s) or order(s) of repeal in the California Code of Regulations.

Date: August 10, 2016



**Rhea A. Moyer
Legal Analyst**

**For: Debra M. Cornez
Director**

**Original: Jan Owen
Copy: Bret Ladine**

NOTICE PUBLICATION/REGULATIONS SUBMISSION

FILE PRINT

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-2016-0115-01	2016-0721-02FP	

For use by Office of Administrative Law (OAL) only

<p>RECEIVED FOR FILING PUBLICATION DATE</p> <p>JAN 15 '16 JUN 29 '16</p> <p>Office of Administrative Law</p> <p>NOTICE</p>	<p>2016 JUL 21 P 3:17</p> <p>OFFICE OF ADMINISTRATIVE LAW</p> <p>REGULATIONS</p>
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ENDORSED - FILED
in the office of the Secretary of State of the State of California

AUG 10 2016

1:41 PM

AGENCY WITH RULEMAKING AUTHORITY
Department of Business Oversight

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE DBO - Proposed Conflict of Interest Code	TITLE(S) 10	FIRST SECTION AFFECTED 5.2000	2. REQUESTED PUBLICATION DATE January 29, 2016
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON Dan Warren	TELEPHONE NUMBER (916) 324-6912	FAX NUMBER (Optional)
OAL USE ONLY <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER 2016 05-2	PUBLICATION DATE 1-29-2016	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Conflict of Interest Code	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) Z-2016-0115-01 2007-0921-03P, 2009-0623-02P
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per agency request

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 250.30
	REPEAL 5.2000, 5.2001

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input checked="" type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

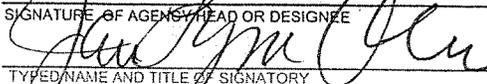
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input checked="" type="checkbox"/> Effective other (Specify) 30 days after filing per 2 CCR 18750(l)
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input checked="" type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____		

7. CONTACT PERSON Bret Ladine	TELEPHONE NUMBER 916-322-5858	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 7-18-2016
TYPED NAME AND TITLE OF SIGNATORY Jan Lynn Owen, Commissioner of the Department of Business Oversight	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

AUG 10 2016

Office of Administrative Law

STATE OF CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

TEXT OF PROPOSED CHANGES UNDER
ARTICLE 3, CHAPTER 7, TITLE 9 OF THE GOVERNMENT CODE
PURSUANT TO NOTICE

1. Section 5.2000 is repealed to read:

~~§ 5.2000. Scope.~~

~~This Article contains regulations setting forth the Department's conflict of interest code as required by the Political Reform Act of 1974 (Government Code Section 81000 et seq.).~~

~~Note: Authority cited: Sections 87300 and 87306, Government Code. Reference: Sections 87300-87302, Government Code.~~

2. Section 5.2001 is repealed to read:

~~§ 5.2001. Conflict of Interest Code.~~

~~(a) The provisions of 2 C.C.R. §18730 and any changes to it adopted by the Fair Political Practices Commission are hereby incorporated by reference. The provisions of 2 C.C.R. §18730 and the Appendix to this Section which lists the designated employees of the Department and their disclosure categories constitute the Conflict of Interest Code of the Department.~~

~~(b) Designated employees shall file statements of economic interests with the Administrative Services Unit of the Department. The Department shall make the statements available for public inspection and reproduction. (Government Code Section 81008). Upon receipt of the statement of the Commissioner of Financial Institutions, the Department shall make and retain a copy and forward the original to the Fair Political Practices Commission. Statements of economic interests filed by all other designated employees shall be retained by the Department.~~

Note: Authority cited: Sections 87300 and 87306, Government Code. Reference: Sections 87300-87302, Government Code.

3. Appendix to Section 5.2001 is repealed to read:

Appendix to § 5.2001

Designated Employees

Position Title	Disclosure Category
Commissioner of Financial Institutions	A
Consultants ⁴	A
Chief Deputy Commissioner of Financial Institutions	A
Senior Deputy Commissioner of Financial Institutions	B
Chief State Examiner	B
Deputy Commissioner of Financial Institutions of the Division of Credit Unions	B
Deputy Commissioner of Financial Institutions	B
Financial Institutions Manager	B
Financial Institutions Supervisor	B
Senior Financial Institutions Examiner	B
Financial Institutions Examiner	B
General Counsel	B
Assistant Chief Counsel	C
Senior Staff Counsel	C
Staff Counsel	C
Staff Services Manager	C
Chief Information Officer	C

Chief Administrative Officer	D
Data Processing Manager	D
Senior Accounting Officer (Supervisor)	D
Associate Business Management Analyst	D
Budget Analyst	D
Training Officer	D
Business Services Assistant	D

Disclosure Categories

Category A:

The following are reportable interests for each designated employee in this disclosure category:

All investments, income, including gifts, loans and travel payments, business positions, and interests in real property.

Category B:

The following are reportable interests for each designated employee in this disclosure category:

All interests in real property, and all investments and business positions in, and all income, including gifts loans and travel payments, from, any subject institution.²

Category C:

The following are reportable interests for each designated employee in this disclosure category:

All investments and business positions in, and all income, including gifts, loans and travel payments, from, any subject institution.

Category D:

The following are reportable interests for each designated employee in this disclosure category:

All interests in real property leased to or rented by the Department, and all investments and business positions in, and sources of income, including gifts, loans and travel payments, from, business entities which provide goods, services, supplies,

materials, machinery, or equipment of the type utilized by the Department or which provide office space leased to or rented by the Department.

¹Consultants are included in the list of designated employees in Category A, and shall disclose pursuant to the requirements of this disclosure category subject to the following limitation: The Commissioner may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements in this Section. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent, if any, of disclosure requirements. The Commissioner's determination is a public record and shall be retained by the Department and made available for public inspection with a copy of the Department's Conflict of Interest Code upon proper request.

²"Subject institution," as used in Category B and Category C, means any of the following, any affiliate of any of the following, any attorney, accountant, economist, or business consultant who regularly provides services to any of the following, or any bank, savings association, credit union, or industrial loan company trade organization of which any of the following is a voting member (The definitions set forth in Subarticle 2 (commencing with Section 10.100 of Article 1 of Subchapter 10 of Chapter 1 of Title 10 shall apply throughout this footnote.):

(1) Any California bank.

(2) Any foreign (other state) bank which maintains an office in the State of California.

(3) Any foreign (other nation) bank which maintains an office in the State of California that is licensed by the Commissioner or by the Comptroller of the Currency.

(4) Any international banking corporation organized under the laws of the State of California, or any other international banking corporation which, or a representative of which, maintains an office in the State of California.

(5) Any corporation which is licensed by the Commissioner under Chapter 14 (commencing with Section 1800) of Division 1 of the Financial Code.

~~(6) Any person which is licensed by the Commissioner under Chapter 14A (commencing with Section 1851) of Division 1 of the Financial Code.~~

~~(7) Any savings association organized under the Savings Association Law or any other savings association which maintains an office in the State of California.~~

~~(8) Any person which is licensed under Division 3 (commencing with Section 12000) of the Financial Code to engage in the business of a check seller.~~

~~(9) Any credit union organized under the Credit Union Law, or any corporation of similar type organized under the laws of the United States or of any state of the United States other than the State of California which maintains an office in the State of California.~~

~~(10) Any industrial loan company organized under the Industrial Loan Law, or any corporation of similar type organized under the laws of any state of the United States other than the State of California which maintains an office in the State of California.~~

~~(11) Any corporation which is licensed by the Commissioner under Division 15 (commencing with Section 31000) of the Financial Code.~~

~~(12) Any corporation which is licensed by the Commissioner under Division 16 (commencing with Section 33000) of the Financial Code.~~

4. Section 250.30 is amended to read:

§ 250.30. General Provisions and Conflict of Interest Code.

(a) Authority. This Conflict of Interest Code has been adopted pursuant to the provisions of Government Code Sections 87300, et seq. It is separate and apart from the requirements and prohibitions set forth in Section 260.607 of this title. All employees should refer to that section for additional requirements and prohibitions.

(b) General prohibitions. All employees of the Department of Corporations Business Oversight are subject to the provisions for disqualification set forth in Government Code Sections 87100 and 87103.

(c) References. The Political Reform Act is set forth in Sections 81000, et seq., of the Government Code. The Regulations of the Fair Political Practices Commission are

set forth in Division 6, Title 2, California Code of Regulations. Copies of ~~the Government Code and~~ Title 2 of the California Code of Regulations are available at the Office of Administrative Law's website at www.oal.ca.gov ~~in each library of the Department of Corporations.~~

(d) The Code. Set forth below is the Conflict of Interest Code of the Department of ~~Corporations~~ Business Oversight.

CONFLICT OF INTEREST CODE FOR THE DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, Title 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. The Department of Business Oversight incorporates by reference as part of its Conflict of Interest Code, the terms of Title 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, with the addition provided below.

Designated employees shall file statements of economic interests with the Manager of Human Resources of the Department of ~~Corporations~~ Business Oversight, (under the supervision of the Deputy Commissioner of Administration ~~of the Office of Management and Budget~~ and in consultation of with the ~~Deputy Commissioner and General Counsel~~) to whom the agency has delegated the authority to carry out the duties of filing officer. Upon receipt of the statement of the Commissioner of ~~Corporations~~ Business Oversight, the Manager of Human Resources shall make and retain a copy and forward the original of this statement to the Fair Political Practices

Commission. The Department will make the statements available for public inspection and reproduction in accordance with Government Code Section 81008.

~~Addition: A business entity or source of income does business in the state, plans to do business in the state, or has done business in the state within the past two years within the meaning of Government Code Sections 82030 and 82034, incorporated by reference into this Code by Section 1 of the standard Code, Title 2 California Code of Regulations Section 18730(b)(1), in addition to any meaning those terms might otherwise have, if it has applied for or received a permit, registration, certificate, order or opinion from the Commissioner or if it is subject to any investigation by the Commissioner.~~

Addition: An investment in a business entity that does business, plans to do business, or has done business in the state within the past two years and any source of income within the meaning of Government Code sections 82005, 82030, and 82034 is subject to disclosure if it has applied for or received a permit, registration, certificate, order, or opinion from the Commissioner or if it is subject to any investigation by the Commissioner.

Note: Authority cited: Sections 87300 and 87306, Government Code; and Section 25610, Corporations Code. Reference: Sections 87300, et seq., Government Code; and Section 25607, Corporations Code.

5. Appendix to Section 250.30 is amended to read:

Appendix

Designated Employees	Disclosure Categories
Commissioner of Corporations.....	A
Chief Deputy Commissioner of Corporations.....	A

Deputy Commissioner, Assistant Commissioners, and General Counsel.....	A
All Special Assistant or Advisors to the Commissioner (regardless of classification).....	A
Counsel assigned to the Office of Legislation and Policy.....	A
All other Counsel (regardless of rank).....	B
Examiners and Auditors (regardless of rank) assigned to the Securities Regulation Division and Enforcement Division.....	B
Regional Manager, Supervising Investigator and Associate Investigator assigned to the Enforcement Division.....	B
Examiners and Auditors (regardless of rank) assigned to the Financial Services Division.....	C
Librarian.....	D
Data Processing Manager.....	D
All Information Technology Staff assigned to arrange contracts and/or solicit bids.....	D
Accounting Office Supervisor.....	D
Business Services Officer.....	D
All Contract Analysts and Procurement Staff.....	D
All Staff Services Managers (regardless of rank).....	D
Office Manager.....	D
Operations Officer.....	D
Consultant*.....	A

<u>Designated Employees</u>	<u>Disclosure Categories</u>
<u>Commissioner of Business Oversight</u>	<u>1</u>
<u>Chief Deputy Commissioner</u>	<u>1</u>
<u>Special Assistant to the Commissioner</u>	<u>1</u>
<u>General Counsel and</u>	<u>1</u>

<u>Assistant General Counsel</u>	
<u>Senior Deputy Commissioner and Deputy Commissioners in the Division of Corporations</u>	<u>2</u>
<u>Senior Deputy Commissioner and Deputy Commissioners in the Division of Financial Institutions</u>	<u>2</u>
<u>Deputy Commissioner and Counsel assigned to the Division of Law & Policy</u>	<u>2</u>
<u>Deputy Commissioner and Counsel assigned to the Enforcement Division</u>	<u>2</u>
<u>Deputy Commissioner for Legislation</u>	<u>2</u>
<u>Deputy Commissioner for Public Affairs</u>	<u>3</u>
<u>Corporations Examiners, Investigators, and Auditors (any grade)</u>	<u>3</u>
<u>Financial Institutions Managers and Examiners (any grade)</u>	<u>3</u>
<u>Deputy Commissioner for Administration</u>	<u>4</u>
<u>Staff Services Manager (any grade)</u>	<u>4</u>
<u>Data Processing Manager (any grade)</u>	<u>4</u>

<u>Systems Software Specialists (any grade),</u> <u>Information Systems Analysts (any grade), and</u> <u>Programmer Analysts (any grade)</u>	<u>4</u>
<u>Accounting Administrators,</u> <u>Accounting Officers,</u> <u>Accountants (any grade), and</u> <u>Budget Analysts (any grade)</u>	<u>4</u>
<u>Business Services Officers and</u> <u>Business Services Assistants</u>	<u>4</u>
<u>All Contract Analysts and Procurement</u> <u>Staff</u>	<u>4</u>
<u>Training Officer</u>	<u>4</u>
<u>Consultants/New Positions*</u>	<u>1</u>

Disclosure Categories

Category A 1.

Each "designated employee" in this category shall report:

~~(1) Any investment and/or business position in any business entity and income, including gifts, loans and travel payments, from any source, or representative thereof, which has transacted business with the Department or been the subject of any legislation or rulemaking activity during the preceding two years or which the designated employee knows or has reason to know will transact business with the Department or be the subject of any legislation or rulemaking activity.~~

~~(2) Any interest in real property which during the preceding two years has been rented or leased to, or which the designated employee knows or has reason to know may be rented, leased or sold to a business entity or non-profit, or representative thereof, which has transacted business with the Department or been the subject of any legislation or rulemaking activity during the preceding two years or which the designated employee knows or has reason to know will transact business with the Department or be the subject of any legislation or rulemaking activity.~~

~~(3) For purposes of this category, "transacting business with the Department" includes, but is not limited to, any activity or contact with the Department in connection with a permit, order, registration, license, certificate, opinion, complaint or enforcement action. A business entity, non-profit or source has been or will be "the subject of any legislation or rulemaking activity" if the business entity, non-profit or source is, was, will be, or would have been affected by any legislation or rule in connection with the laws over which the Commissioner has jurisdiction, whether or not such legislation or rule was enacted, adopted, amended or repealed.~~

All investments, income (including gifts, loans, and travel payments), business positions, and interests in real property.

Category B 2.

Each designated employee in this category shall report:

~~(1) Any investment and/or business position in any business entity and income, including gifts, loans and travel payments, from any source, or representative thereof, with which the designated employee has transacted business on behalf of the Department during the preceding two years or knows or has reason to know that he or she will transact business on behalf of the Department.~~

~~(2) Any interest in real property which during the preceding two years has been rented or leased to, or which the designated employee knows or has reason to know may be rented, leased or sold to a business entity or non-profit, or representative thereof, with which the designated employee has transacted business on behalf of the Department during the preceding two years or, knows or has reason to know that he or she will transact business on behalf of the Department.~~

~~(3) For the purposes of this category, “transacting business on behalf of the Department” includes, but is not limited to, preparing or reviewing material in connection with a permit, order, registration, license, certificate, opinion, complaint, enforcement action or legislation or rules in connection with the laws over which the Commissioner has jurisdiction.~~

~~(4) Absent specific knowledge to the contrary which, in light of his or her specific functions and duties within the Department which would put the employee on notice, a designated employee in Category B has no reason to know that he or she will transact business on behalf of the Department with any business entity which is the issuer of securities exempt from the qualification requirement of the Corporate Securities Law of 1968 by virtue of Subsections (a), (b), (c), (d), (g), (h), (i), (j), (m), (o) or (p) of Section 25100 of that Law.~~

(1) Any investment, income (including gifts, loans, and travel payments) or business position in any business entity which:

(a) holds a license, certificate, permit, or registration from the Commissioner of Business Oversight;

(b) the employee knows or reasonably should know has transacted business with the Department;

(c) has been the subject of any legislation or rulemaking activity during the preceding two years; or

(d) the employee knows or has reason to know will transact business with the Department or be subject of any legislation or rulemaking activity.

(2) Any interest in real property that has been rented or leased to in the previous two years, or which the employee knows or has reason to know may be rented, leased, or sold to a business entity or non-profit, which:

(a) Holds a license, certificate, permit, or registration from the Commissioner of Business Oversight;

(b) has transacted with the Department;

(c) been the subject of any legislation or rulemaking during the preceding two years; or

(d) the employee knows or has reason to know will transact business with the Department or be subject of any legislation or rulemaking activity.

(3) To “transact business” with the Department of Business Oversight includes, but is not limited to, any activity or contact with the Department in connection with a permit, order, registration, license, certificate, opinion, complaint, or enforcement action. A business entity, non-profit, or income source has been or will be “the subject of any legislation or rulemaking activity” if the business entity, non-profit, or income source is, was, will be, or would have been affected by any legislation or rule in connection with the laws over which the Commissioner of Business Oversight has jurisdiction, whether or not such legislation or rule was enacted, adopted, amended, or repealed.

Category C 3.

Each designated employee in this category shall report:

~~(1) Any investment and/or business position in any business entity and income, including gifts, loans and travel payments, from any source, or representative thereof, which has requested and/or obtained during the preceding two years, or which the designated employee knows or has reason to know will request and/or obtain, a license or certificate under the laws administered by the Financial Services Division, or which has been subject to any action, or which he or she knows or has reason to know will be subject to any action, by the Department in connection with the failure to obtain a license or certificate under such laws.~~

~~(2) Any interest in real property, which during the preceding two years has been rented or leased to, or which the designated employee knows or has reason to know may be rented, leased or sold to a business entity or non-profit, or representative thereof, which has requested and/or obtained during the preceding two years, or which he or she knows or has reason to know may request and/or obtain, a license or certificate under the laws administered by the Financial Services Division, or which has been subject to any action, or which he or she knows or has reason to know may be subject to any action, by the Department in connection with the failure to obtain a license or certificate under such laws.~~

~~(3) The term “laws administered by the Financial Services Division” means the following laws: California Finance Lenders Law, California Residential Mortgage Lending Act, Check Sellers, Bill Payers and Proraters Law, Deferred Deposit Transaction Law and Escrow Law.~~

(1) Any investment, income (including gifts, loans, and travel payments) or business position in any business entity which:

(a) holds a license, certificate, permit, or registration from the Commissioner of Business Oversight;

(b) the employee knows or has reason to know has transacted business on behalf of the Department during the preceding two years;

(c) the employee knows or has reason to know that he or she will transact business on behalf of the Department.

(2) Any interest in real property that has been rented or leased to in the previous two years, or which the designated employee knows or has reason to know may be rented, leased, or sold to a business entity or non-profit which:

(a) holds a license, certificate, permit, or registration from the Commissioner of Business Oversight;

(b) the employee knows or has reason to know has transacted business on behalf of the Department of Business Oversight during the preceding two years; or

(c) the employee knows or has reason to know that he or she will transact business on behalf of the Department.

(3) For the purposes of this category, to “transact business” with the Department of Business Oversight” includes, but is not limited to, preparing or reviewing material in connection with a permit, order, registration, license, certificate, opinion, complaint, enforcement action, legislation, or rules in connection with the laws over which the Commissioner of Business Oversight has jurisdiction.

(4) Absent specific knowledge to the contrary which, in light of his or her specific functions and duties within the Department which would put the employee on notice, a designated employee in Category 3 has no reason to know that he or she will transact business on behalf of the Department with any business entity solely by reason of its

being an issuer of securities that are exempted from the qualification requirement of the Corporate Securities Law of 1968, Corporations Code section 25000 et seq.

Category D 4.

Each designated employee in this category shall report:

(1) ~~Any investment, and/or business position in any business entity and income, (including gifts, loans and travel payments,) or business position in any business entity from any source, or representative thereof, which during the preceding two years has provided, or which the designated employee knows or has reason to know may provide, the Department of Corporations Business Oversight with services, supplies, materials, machines, equipment, or office space.~~

(2) ~~Any interest in real property leased to or rented to the Department of Business Oversight, which during the preceding two years has been rented or leased to, or which the designated employee knows or has reason to know may be rented, leased or sold to a business entity or non-profit, or representative thereof, which during the preceding two years has provided, or which he or she knows or has reason to know may provide the Department of Corporations with services, supplies, materials, machines, equipment or office space.~~

(3) Any interest in real property that the employee knows or has reason to know has been rented or leased to in the preceding two years, or has reason to know may be rented, leased, or sold to a business entity or non-profit that has provided or may provide the Department of Business Oversight with services, supplies, materials, machines, equipment, or office space.

*Consultants/New Positions

~~A Consultants consultant~~ or new position shall disclose their economic interests pursuant to the broadest disclosure category in the Code (Category A 1) subject to the following limitations:

The Commissioner may determine in writing that a particular consultant or new position, although a "designated position" or "~~designated employee,~~" is hired to perform a range of duties that is limited in scope and thus is ~~thus~~ not required to fully comply

with the disclosure requirements described in this section category. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Commissioner's determination is a public record and shall be ~~retained~~ released for public inspection in the same manner and location as this conflict of interest code.

This is the last page of the conflict of interest code for the **Department of Business Oversight**.



CERTIFICATION OF FPPC APPROVAL

Pursuant to Government Code Section 87303, the conflict of interest code for the **Department of Business Oversight** was approved on 6/22/ 2016.

A handwritten signature in black ink, appearing to read "B. Lau", written over a horizontal line.

Brian G. Lau

Senior Commission Counsel

Fair Political Practices Commission

Pursuant to Government Code Section 11346.2:

Secretary of State Filing Date:

Effective: