

Memorandum

To : Mr. Steven M. Kamp
Legal Counsel
Office of Brad Sherman
901 Wilshire Boulevard, Suite 210
Santa Monica, CA 90401-1856

Date: February 28, 1992

From : Larry Augusta
Assistant Chief Counsel
Special Taxes and Administration

Subject: **Contribution Disclosure Opinion No. 92-2**
Contributions by Related Corporations Are Not Required to be Disclosed

You have set forth three fact situations involving related corporations and have asked whether the Kopp Act would require disclosure/disqualification in each of those fact situations.

In Contribution Disclosure No. 91-15, Senior Staff Counsel Mary Armstrong opined that, where a parent corporation had a proceeding pending by the Board, contributions by subsidiaries of the parent were not required to be disclosed on the record of the pending adjudicatory proceeding. Mary was of the opinion that the subsidiaries did not come within the definitions of the terms "party," "agent" or "participant" as those terms are defined in Section 15626. In reaching this conclusion, Mary gave recognition to the fact that each corporation was a separate legal entity.

This same reasoning would apply if the parent had made a contribution and the subsidiary was the party with a pending adjudicatory proceeding. Likewise, no disclosure would be required if the entities involved were brother/sister corporations. The fact that a Board Member had received a contribution from the brother/sister corporation of a corporate party to a pending adjudicatory proceeding would not be required to be disclosed on the record nor would it disqualify the Member from participation.

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cc: Hon. Brad Sherman
Hon. Ernest J. Dronenburg, Jr.
Hon. William Bennett
Hon. Matthew K. Fong
Hon. Gray Davis
Mr. Burton W. Oliver
Mr. E. L. Sorensen, Jr.
Ms. Mary C. Armstrong
Mrs. Janice Masterton
Contribution Disclosure Binder Distribution List