



California Corporate & Securities Law

“Shut, Shut The Door, Good John!” Bill Introduced To Close Revolving Pension Fund Door

Posted In [Broker-Dealers](#), [CalPERS/CalSTRS](#), [Investment Advisers](#)

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Last week in this [post](#), I wrote about the California Controller [John Chiang's](#) announced intention to sponsor legislation to shut the revolving door between California's two largest public retirement systems, CalPERS and CalSTRS, and the private sector. Last week, Assemblyman [Warren Furutani](#) introduced [AB 873](#). Below is the Legislative Counsel's description of the bill:

This bill would prohibit an individual, who was a member of the retirement board of PERS or STRS or an administrator, executive officer, investment officer, or general counsel of the system, from accepting employment, within 2 years after separation from the system, with any employer with which the individual participated personally and substantially with contracts or investments valued greater than \$10 million any time in the previous 5 years while the individual was employed by, or served on the board of, the system, as specified. The bill would except from that prohibition a former employee of PERS or STRS working for any entity whose principal market is unrelated to the individual's prior service.

The bill would also prohibit an individual from, for 2 years after separation from the system, accepting employment with any placement agent who has successfully placed an investment with either PERS or STRS during the prior 10 years.

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