



# California Corporate & Securities Law

## **Bill Seeks To Mandate Corporate Political Disclosures**

By Keith Paul Bishop on January 25, 2012

The fallout from the U.S. Supreme Court's decision in *Citizens United v. Federal Election Com'n*, 130 S. Ct. 876 (2010) continues. Earlier this week, California State Senator Noreen Evans introduced a bill, [SB 982](#), to require corporations to issue a report on planned political spending as well as expenditures for the previous fiscal year. The report must include the following:

- A description of the political activities.
- The name of the person, candidate, committee, or political party, or a description of the political cause, to which each contribution or expenditure was made.
- The aggregate amount of the contribution or contributions and expenditure or expenditures for each candidate, ballot measure campaign, signature-gathering effort on behalf of a ballot measure, political party, or political action committee.
- If a contribution or expenditure was made in support of or in opposition to a candidate, the office sought by the candidate and the political party affiliation of the candidate.
- If a contribution or expenditure was made for or against a ballot measure, a description of the ballot measure and a statement as to whether the contribution or expenditure was made in support of or in opposition to the ballot measure.

Although formally introduced, the bill is in very rough shape. As best I can make out, the intent seems to be that the new requirements will apply only to corporations with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 that have shareholders with "legal residency" in California.

A corporation subject to the annual report requirement will be required to post the report on its website. The bill also creates a private right of action for damages brought by any shareholder of the corporation. Finally, the bill would require a corporation to file, upon request, a copy of its report with the California Secretary of State.

*n.b.* I provide a link to the version of the bill in effect at the time of posting. If you are reading this post at a later date, check the Legislative Counsel's [website](#) for any amendments and current status.

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## DOC Spruces Up Its Image



Recently, the California Department of Corporations updated its [website](#). The DOC's new look, looks good! The seal (above), however, is a bit boring. Where is the eagle, California Grizzly or other heraldic charges?

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