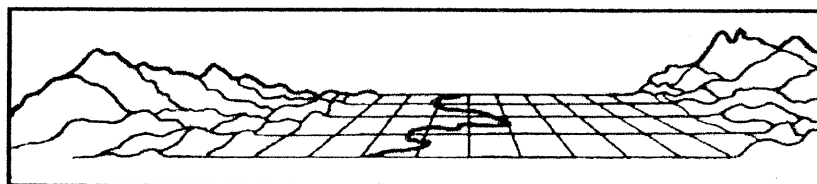


Research for Action

*A Guidebook
to Public Records Investigation
for Community Activists*

Don Villarejo, PhD

California Institute for Rural Studies
221 G Street, Suite 204
Davis, CA 95616-4550
(530) 756-6555
www.cirsinc.org

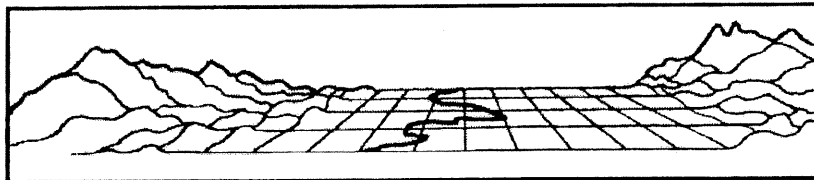


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A Guidebook to Public Records Investigation for Community Activists

Don Villarejo, PhD

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CIRS, Inc. is a non-profit, tax-exempt education and research organization dedicated to the following activities:

- 1) Conducting research on the problems and characteristics of rural California; and
- 2) Gathering information for public dissemination and education on topics including, but not limited to:
 - a. Social and economic problems of rural California;
 - b. The effect of land tenure on the social structure of rural communities, the environment and migration of rural people to urban areas;
 - c. Approaches toward strengthening the role of private enterprise in the form of small farmers and resident entrepreneurs;
 - d. The development of alternative methods of landholding including, but not limited to, producer and landholding co-operatives; and
 - e. The effect of governmental policies and programs on landholding patterns.

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TABLE OF CONTENTS

Introduction		iii
Chapter 1	Research for Action: Case Studies	1
	Land for Farmworkers	1
	Keeping Yolo General Hospital Open	7
	Organizing Farmworkers at Paloma Ranch	30
	Do Public Funds Build Privately Owned Nuclear Power Plants?	33
	Agricultural Holdings of University of California Regents	38
	Summary	49
Chapter 2	Disclosure Statements Filed with Government Agencies	51
	Federal Agencies	52
	Securities and Exchange Commission	52
	Federal Energy Regulatory Commission	56
	Federal Communications Commission	61
	Interstate Commerce Commission	61
	State Agencies	62
	Secretary of State	62
	Department of Corporations	64
	Public Utilities Commission	65
	State Department of Insurance	65
	Department of Real Estate	66
	Local Agencies	66
	County Recorder	66
	County Clerk	67
	County Tax Assessor	68
	City Clerk	69
Chapter 3	How to Investigate Corporations, Partnerships and Sole Proprietorships	70
	Corporations	70
	Partnerships	76
	Sole Proprietorships	78
Chapter 4	Types of Businesses Required to Make Special Disclosure Reports	82
	Air Line operating companies	82
	Banks (commercial)	82
	Broadcast companies, including parent companies (radio and television)	84
	Charitable organizations	84
	Farmers	84
	Farm land owners (domestic)	86
	Farm land owners (foreign)	86
	Foundations	88
	Insurance companies	88
	Livestock grazing permit holders (government lands)	88
	Natural Gas Pipe Line companies (interstate)	89
	Newspaper and periodical publishing companies	89
	Public Utility holding companies (electric and gas)	89

	Public Utility operating companies (interstate electric and gas)	90
	Public Utility operating companies (intrastate)	91
	Railroad operating companies	91
	Real estate sales personnel and brokers	91
	Real estate subdividers	91
	Telephone and telegraph operating companies	91
	Trucking companies (interstate)	91
	Trucking companies (intrastate)	92
	Trust companies	92
Chapter 5	Real Estate	93
	Ownership and Transfer of Property	93
	Mortgages and Deeds of Trust	94
	Mineral Rights	95
	Lease Agreements	95
	Legal Descriptions of Real Property	95
	Title Search	96
Chapter 6	Public Officials and Lobbyists	99
	Campaign Disclosure Statements	99
	Financial Disclosure Statements by Public Officials	101
	Lobbyists	102
	Biographical Information Regarding Public Officials	102
Appendix A	The Freedom of Information Act	103
Appendix B	The California Public Records Act	104
Appendix C	How to Write a Freedom of Information Act Request	105
Appendix D	Financial Schedules Included in Form 10-K Reports	106
Appendix E	Special Resources: Books, Libraries, People, Organizations	107
Index		109

INTRODUCTION

This guidebook is intended to help activists who are working for social change. Community based organizations often find that they need basic information about the interests of individuals or businesses who are involved in a particular dispute. In many cases, the needed information is available but it is not used because of a lack of familiarity with where to look or what to ask for. In other cases, fragmentary information can be found but it must be supplemented with other data to give even a rough indication of what is actually involved.

The experience represented in the material presented in this guidebook includes certain general conclusions about how information can be used to promote social change. One of these lessons is that effective action is enhanced by the clear identification of the different, conflicting interests in a particular struggle.

The material presented in this guidebook is designed to acquaint activists with the techniques used in public records investigation. Chapter 1 describes a number of recent controversies in which this kind of research played a central role. In each situation conflicting interest groups struggled over control of a vital resource: land, a public hospital, or a major institutions.

In one case, private medical interests were influential in formulating a proposal to shut down certain services offered by a public hospital. The fact that private physicians were involved was not widely known in the community when the proposal was first put forward. It was only after extensive investigation that the nature of these interests was perceived. Even so, the full story was not uncovered at the time that it mattered and is not even known today, several years after the fact. The process of investigation that we describe is best thought of as trying to put together a jigsaw puzzle for which you don't have all of the pieces and you don't know what the final result should look like.

It is vital to realize that information, no matter how accurate, will not, by itself, produce social change. Only the action of hundreds, or thousands, of informed people acting together has the potential to transform societies. Investigation helps to clarify the real interests of different parties in a particular dispute. But organized groups of people are needed if one hopes to challenge the existing power structure in a community.

The specific contents of the Research for Action guidebook have evolved over several years of teaching workshops to activists. Political activists, Vista volunteers, and members of labor and women's groups have contributed to improving the materials used in the presentation through active participation in the workshops.

Fundamental to investigative research is the fact that an astonishing quantity of material is available in public records. Your right to know is embodied in public law and is as basic a right as is freedom of religion or speech. This is because the historic pattern by which persons in power in America have tried to blunt the impact of movements for social change has included the granting of disclosure of previously confidential information. For example, millions of Americans lost all, or nearly all, of hard earned savings during the Great Depression of the 1920's and 1930's. Some lost their holdings in the stock market crash, others in bank failures, and still others exhausted their resources while out of work. The social movements of that epoch threatened the very structure of capitalism itself in response to the failures of the private sector. One concession granted by the people then in power was mandatory public disclosure, for the first time, of basic financial records for the largest corporations. This move was intended to help restore "confidence" in the corporate system. The U.S. Securities and Exchange Commission was created to develop and police disclosure of accurate records of corporate activities. Thus, instead of replacing the privately owned corporations with community controlled businesses, the government leaders and their corporate associates developed a compromise that resulted in detailed disclosure of hitherto secret corporate records.

It is disclosure under SEC regulations that has been a pivotal factor in a number of campaigns attempting to force private corporations to act responsibly. And in one

contemporary case an imaginative effort is underway to spread out ownership of stock in one particular corporation so that it would be forced to disclose financial data under SEC requirements. This is because the regulations apply to corporations with more than 500 stockholders. In this case, the Sisters of Loretto, an order of Roman Catholic nuns who minister to the poor, are waging a campaign against the Blue Diamond Coal Company. Blue Diamond owns 145,000 acres of Appalachian coal land including the Scotia, Kentucky mine that was the site of a tragic series of explosions in 1976 that resulted in the deaths of 26 mine workers. The company reportedly has accumulated a total of 4,600 Federal safety violations since 1970. The nuns and their allies own a total of 167 shares of Blue Diamond stock parcelled out among willing individuals and a Jesuit order. They believe that they have raised the total number of company stockholders to 500. According to John McBride, an activist working with the nuns, "This is an important first step in ending Blue Diamond's perpetuation of secrecy around its operations. We have served notice that there will be no more business as usual behind closed doors at Blue Diamond."

Through knowledge of SEC regulations the Sisters of Loretto have become a force in corporate America. Sister Mary Swain says, "We have no illusion that we can change the corporate structure of the nation overnight. It's still a David and Goliath battle. But 10 years ago corporations didn't even know who we were. Now they do."

The lessons of the collective experience represented by the discussions in this guidebook are summarized in the following manner.

First, in every issue that comes up, try to determine who will benefit if each possible outcome were to occur. It is a lesson of experience that behind every controversy there are conflicting interests. One purpose of investigative work is to pinpoint those interests and educate the community about their nature.

Second, document your statements before going public.

Third, try to determine if any of the interests involved in a controversy are among the types of businesses regulated by government agencies. These reports are usually the most complete sources of information.

Fourth, use the information uncovered to organize people.

ACKNOWLEDGEMENTS

This guidebook would not have been possible without the valuable contributions of many activists. In some cases this involved doing the actual research that is described in the book. In other cases the contribution was teaching me the skills of public records investigation, in offering suggestions to improve the Research for Action workshops, or criticizing the draft versions of this manuscript. Special thanks to Paul Barnett, Kathy Bertolucci, David Bogalub, Dallas Burtraw, Alberto Chapa, Isao Fujimoto, Nathan Gardels, Allyce Kimmerling, Dorothy Kreig, Steve Teixeira, Liza Way, and Miriam Wells.

NONE OF THE MATERIAL PRESENTED IN THIS BOOK CONSTITUTES PROFESSIONAL LEGAL ADVICE.
IF SUCH ADVICE IS SOUGHT CONSULT AN ATTORNEY.

Chapter 1

Research for Action: Case Studies

The case studies described in this chapter are intended to illustrate the step-by-step process by which community based organizations obtained information needed to carry out a program of reform. Although all of the examples are from California or the Southwest, the research methods described apply to the entire United States. State or local government agencies mentioned in the case studies may go by other names in different states but their function and the types of information available from them is essentially the same. For example, names of officers and directors of California corporations can be obtained from the Secretary of State of California. The same type of record of names of officers and directors for Arizona corporations is maintained by the Arizona Corporation Commission and for Hawaii corporations by their State Bureau of Regulatory Agencies. Note that the names of officers and directors are available in all three states, but, depending upon where one is doing the work, the name of the record keeping agency varies considerably.

1. Land for Farmworkers.

The problem. A group of California farmworkers facing chronic unemployment as seasonal laborers decided to join together and seek land for themselves. They wanted to establish a system of agriculture that would provide them with gainful employment throughout the year. How can suitable cropland be found?

The approach. Since private farmland is mainly controlled by wealthy people

and corporations, it was decided to determine whether any public land, suitable for farming, could be leased. Within California, some fifty million acres, mostly desert and forest, is owned by a variety of public agencies. To find public land suitable for farming requires that ownership records and maps be located to clearly identify parcels of interest.

LAND OWNERSHIP RECORDS ARE NORMALLY MAINTAINED BY LOCAL AGENCIES, USUALLY COUNTY GOVERNMENT. THE PRINCIPAL OFFICE TO CONTACT IS THE TAX ASSESSMENT OFFICE, CALLED THE COUNTY ASSESSOR IN CALIFORNIA.

Since there are fifty-eight counties in California, identification of land ownership must be done locally at the County seat of government. In the present case the rural county of Yolo has its government offices located in Woodland where the farmworkers' cooperative is also located. The Yolo County Assessor maintains a public inquiry counter where people can examine land ownership records themselves. All land owners are listed in an alphabetical index of all parcels in the county. This is also available for public inspection at the County Assessor's office. This listing will show the name and address of the owner of record and the Assessor's Parcel Number (APN) but usually does not include acreage figures or land use data. The researchers asked the Assessor's staff about public land, and the staff member produced a list of all parcels owned by public agencies in the county. The list gave the parcel number, the name of the public agency owning the land, the acreage involved, and the current use. Table I-1 shows a reproduction of a portion of that list.

The farmworkers decided to find out about the largest parcel, a 640 acre tract identified as APN 53-130-01.

THE ASSESSOR'S PARCEL NUMBER (APN) IS THE KEY ITEM OF INFORMATION.

The Assessor's Parcel Number is a kind of code used to identify the precise location of land parcels. All parcels are mapped in official government records called parcel maps. These are kept by the same county office. Precise maps of every parcel of land in the county are bound together in large volumes called map

Table I-1
Lands Owned by Public Agencies (partial list), Yolo County Assessor

<u>Assessor's Parcel Number</u>	<u>Agency</u>	<u>Acreage</u>	<u>Use</u>
50-190-07	Yolo County Flood Control & Water Conservation Dist.	36	Buckeye Canal
51-140-03	County of Yolo	29	Creeks
51-150-08	USA	32	T/C Canal
52-010-05	USA	36	T/C Canal
53-090-03	Reclamation Dist. 108	228	Field Crops
53-100-04	Reclamation Dist. 108	47	Field Crops
53-130-01	Reclamation Dist. 108	640	Field Crops
53-130-02	Reclamation Dist. 108	480	Field Crops
53-130-04	Reclamation Dist. 108	40	Field Crops

books. The county is divided into regions, see Figure 1. Each is assigned a number, the same number that is on the book of parcel maps for that region. The first set of numbers in the APN is the map book number. The 640 acre parcel of interest is mapped in book 53, in the region located at the far northeast corner of Yolo County.

The second portion of the APN refers to the page within Map Book 53. In the present case the page number is described as 130 and refers to page 13, not page 130. The reason the Assessor's maps refer to page 13 as 130 is that there may some day be subdivisions or developments built on the land that is now used for farming. If this were to occur the Assessor would then assign each subdivision, or block, with a designation such as 131, 132, ..., 139. Parcels in urban areas or cities nearly always have such block or subdivision codes in their APN. The first page of Map Book 53, also called the index page, is shown in Figure 2. This shows that the particular piece of property in which we are interested is located geographically near the middle of the region designated as Map Book 53, within the area on page 13. Moreover, the index page shows nearby roads and major geographical features as well, clues in locating the property of interest. Finally, by looking at page 13 of Map Book 53 one can learn precisely what parcel is involved. This is illustrated in Figure 3, which shows page 13. Notice that this parcel map contains sufficient detail of geographical features to enable one to readily find parcel boundaries and related information.

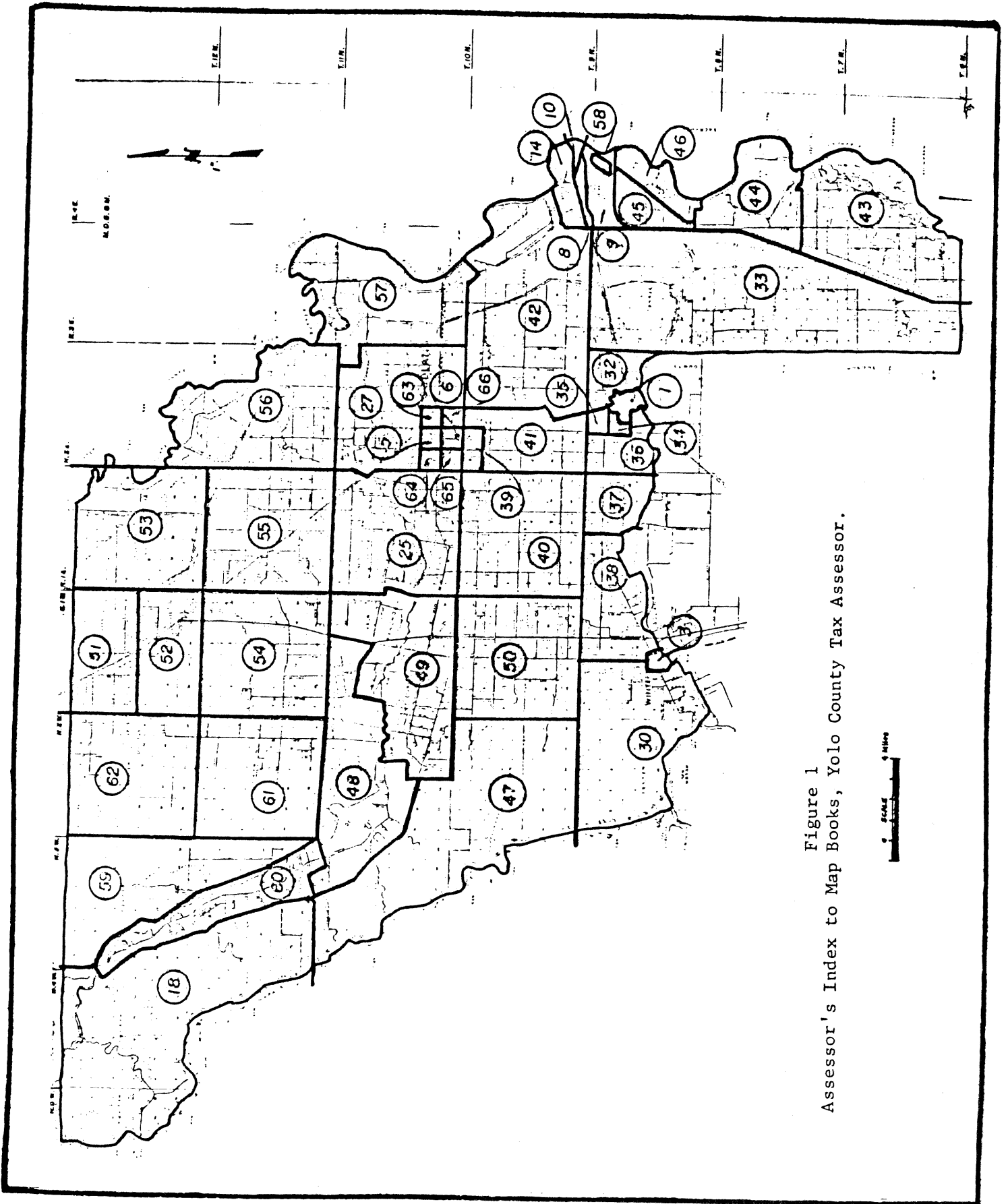
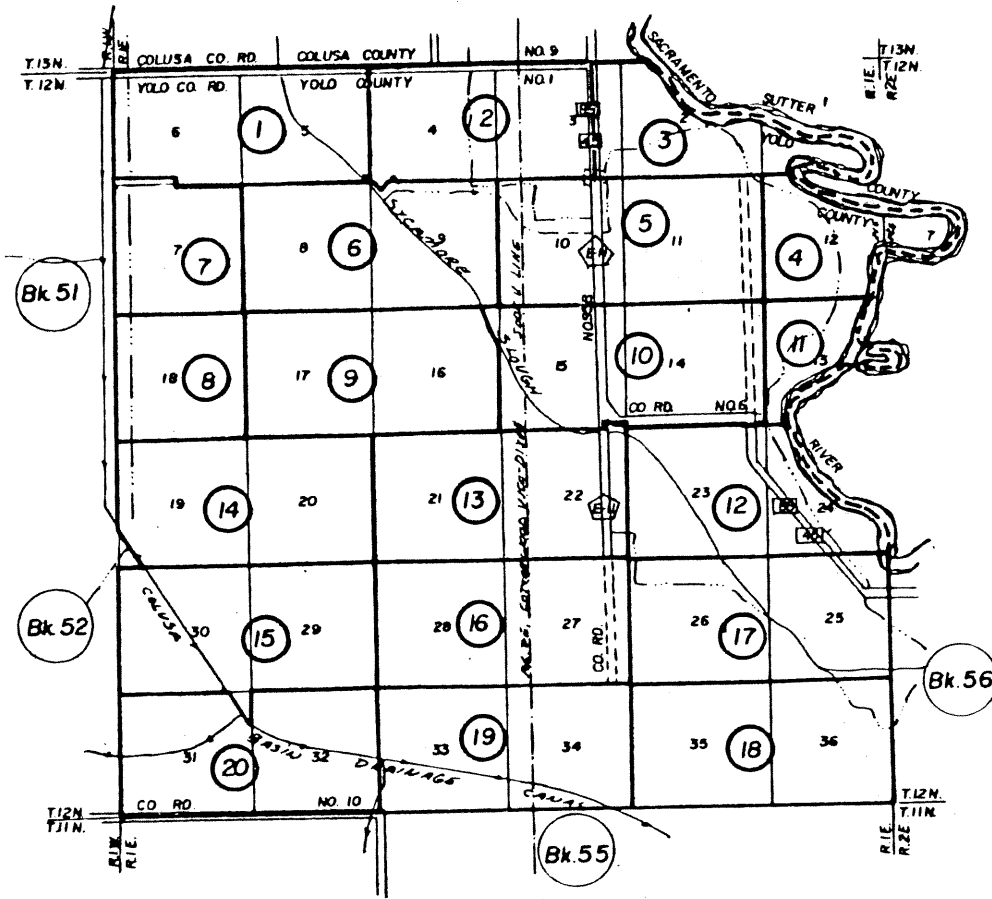


Figure 1
Assessor's Index to Map Books, Yolo County Tax Assessor.



T.12N, R.1E., M.D.B&M

CAUTION - These maps ARE NOT to be used for legal descriptions.



INDEX
BOOK 53
Assessor's Maps
County of Yolo, Calif.

(74/75)

Figure 2
Index Page to Map Book 53, Yolo County Tax Assessor.

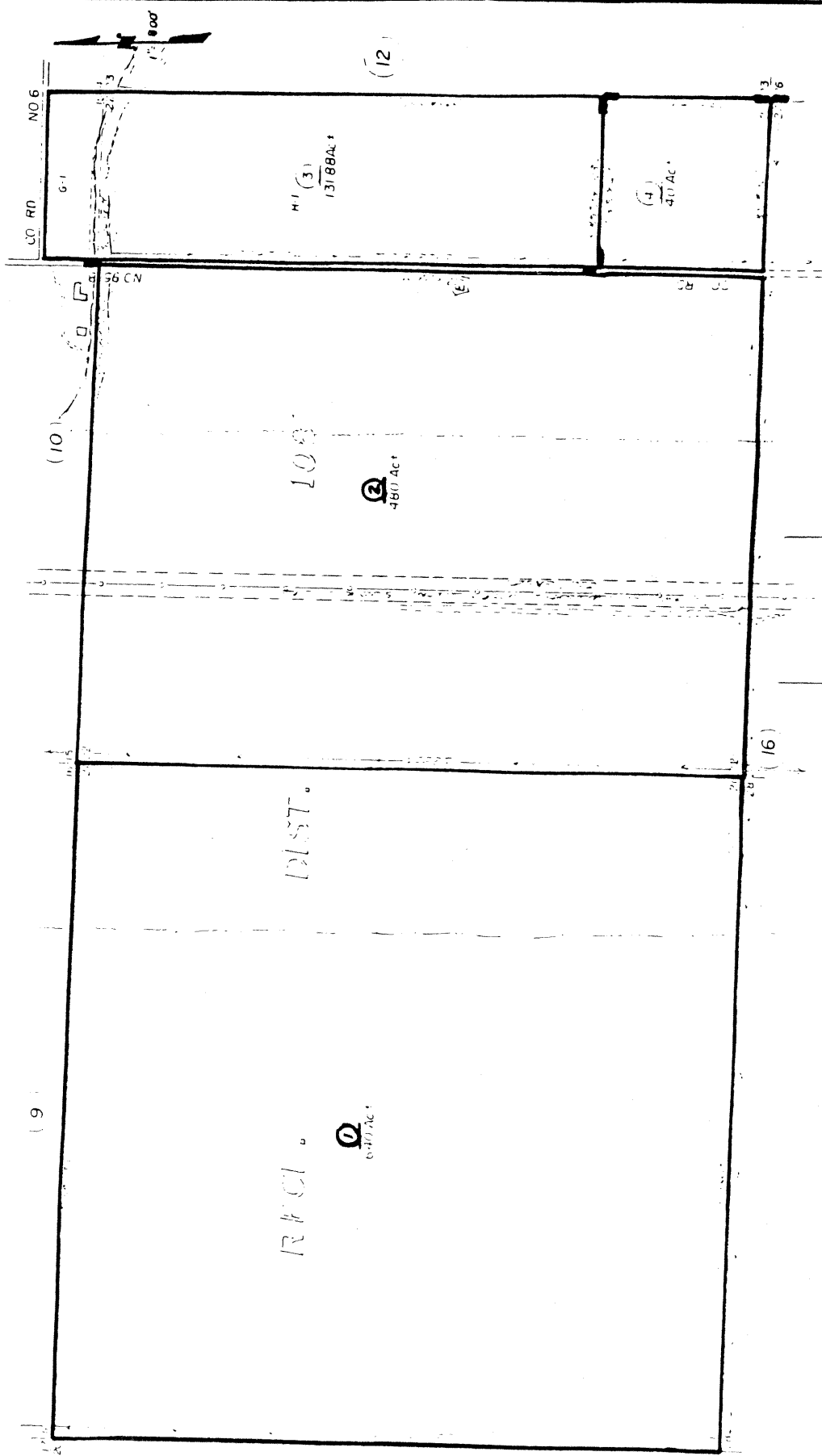
For purposes of convenience the Assessor has three indexes that are organized in different ways.

i. Alphabetical Index. Up-dated at least once a year, this listing gives names of owners of record, in alphabetical order, and identifies the parcel number for each parcel owned. The owner's address and information about valuation of the property is also available in this index. It is very important to realize that the Assessor's

SEC 21, 22 & POR. SEC 15, T. 12N., R. 1E., M.D.B. & M.

53-13

CAUTION- These maps ARE NOT to be used for legal descriptions.



M.B.S. Bk. 5, Pg 54-River Garden Farms of Calif.

Assessor's Map Bk. 53, Pg. 13.
County of Yolo, Calif.

(formerly per 19-038 per 19-04.)
NOTE: Assessor's Block Numbers Shown in Ellipses

Figure 3
Page 13 of Map Book 53, Yolo County Tax Assessor.

listing is not legal proof of ownership and, while very helpful, can not be relied upon as the only source of ownership information.

ii. Assessor's Roll of Secured Property. Up-dated at least once a year, this is a listing, in numerical APN order, of all parcels in the county and identifies the name of the record owner. This index makes it possible for someone to work backwards. If the location of a property is known the Assessor's maps can be used to determine the APN and the Assessor's Roll used to find the owner's identity.

iii. Situs index. This index lists all urban properties in numerical street order and identifies the Assessor's Parcel Number for each parcel. The situs index provides rapid access to ownership and other data for urban properties without having to utilize the system of maps.

The outcome. A lengthy investigation uncovered fifty-seven thousand acres of public land in Yolo County of which about sixteen thousand acres is cropland currently being farmed. For each parcel of public cropland, the public agency owning the land was contacted and the current lease terms, lease expiration date, and other vital data were determined. After substantial efforts, the farmworkers' cooperative was able to obtain a lease on several hundred acres of state owned cropland. More than a dozen families now farm this land for themselves, growing and marketing a variety of crops including sweet corn, beans, tomatoes and peppers.

2. Keeping Yolo General Hospital Open.

The Problem. In early 1976 the Yolo County (California) Board of Supervisors began consideration of a proposal to phase out certain services offered by the Yolo General Hospital, the only public facility in the county. Yolo General is also one of the very few public hospitals in the state offering a full range of services: emergency, acute care, extended care and long term care (for those with disabilities requiring indefinite hospitalization). An ad hoc committee, appointed by the Board of Supervisors, recommended that the county government close parts of Yolo General and transfer the emergency and acute care services to a nearby private hospital. They also suggested eventually closing long term care facilities as well. In response

to this threat to the public hospital, which services low income and senior citizens who can not afford private care, community activists in Woodland organized a group called the Coalition to Keep Yolo General Open. The activists wanted to know if any members of the ad hoc committee that made the recommendations had an interest in the private hospital that would become Woodland's only full service hospital?

The Approach. The very first step in obtaining the needed information is the identification of the members of the ad hoc committee that recommended cutting back services at Yolo General Hospital. Once they are identified, it will be possible to track down information about their affiliations and determine if they had connections to the private hospital. A Copy of the ad hoc committee report was obtained from the Clerk of the Yolo County Board of Supervisors. This is shown in Figure 4.

The four members of the ad hoc committee included elected members of the Board of Supervisors, William Duncan and Arthur Edmonds. A phone call to the County Clerk verified they will still Yolo County Supervisors. The other two members, Leathers and Burns, were rumored to be affiliated with the private hospital, known as Woodland Memorial Hospital. In the minds of some people it seemed inappropriate to have half of the committee that is reviewing whether or not there will be a public hospital at all consist of persons affiliated with the private hospital.

At this stage the activists realized that a rumor is not a basis for action, and that the affiliations needed to be carefully documented before raising the question in public discussion.

ALWAYS DOCUMENT YOUR INFORMATION BEFORE GOING PUBLIC.

There are two ways to determine whether Leathers and Burns were affiliated with the private hospital at the time when the question was significant. The first method is to approach the private hospital directly and ask for an annual report to the community or other document that lists the officers, directors and medical staff. This was done and the document obtained is shown in Figures 5 and 6. As is clear from Figure 6 both Leathers and Burns were on the Board of Directors of

REPORT ON CONSOLIDATION
OF HOSPITAL SERVICES
FEBRUARY, 1976

SUBMITTED BY THE AD HOC COMMITTEE
ON CONSOLIDATION OF HOSPITAL SERVICE
APPOINTED BY THE YOLO COUNTY BOARD OF SUPERVISORS

COMMITTEE

Supervisor William Duncan
Supervisor Arthur Edmonds
James Leathers
Robert A. Burns, M.D.

TASK FORCE

Mr. Erwin Meier
Dr. Otis Cobb
Dr. Dean Winn
Mr. Dan Kelley
Mr. Gordon Thurman

SUB-COMMITTEES

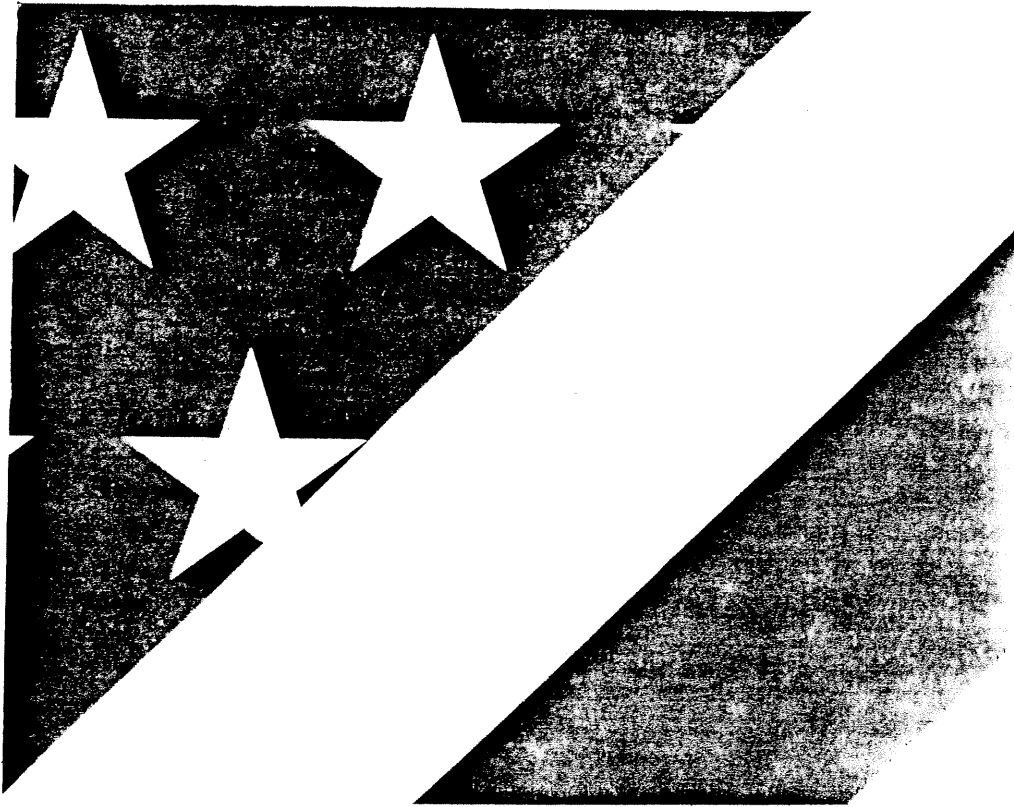
B. W. Krahling, M.D.
E. F. Doehne, M.D.
R. V. Normington, M.D.
B. K. Wilson, M.D.
Captane Thomson M.D.
Sheriff James Cameron
Mr. Ed Curley

COMMITTEE STAFF

William Derrick
Gordon Thurman.

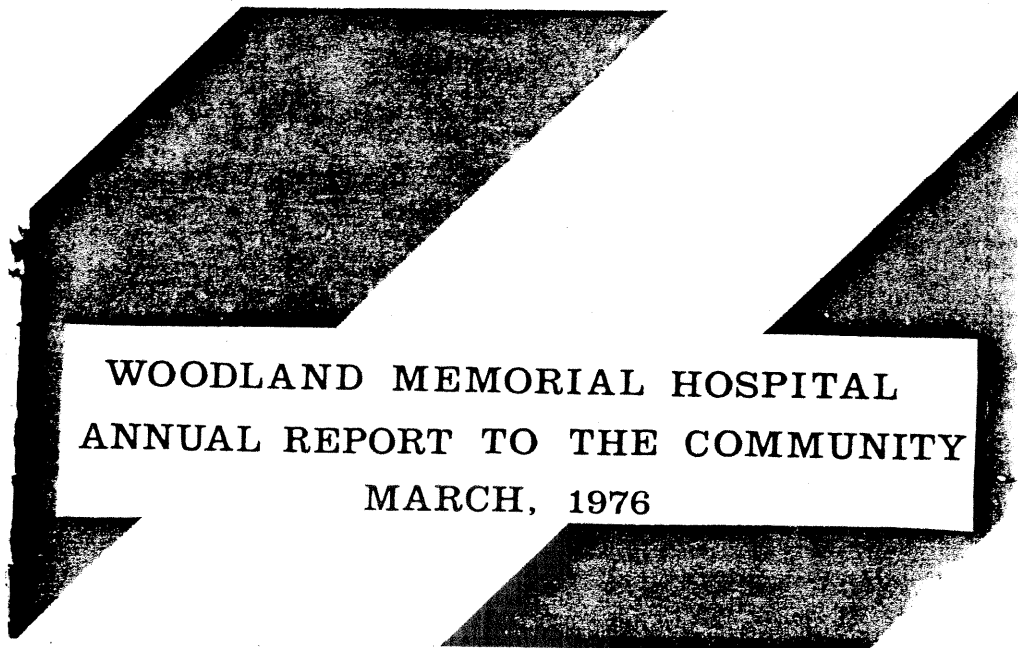
Figure 4

Title Page, Report by ad hoc Committee on Yolo hospitals.
Source: Yolo County Clerk.



"Healthy Birthday, America"

1776 - 1976



**WOODLAND MEMORIAL HOSPITAL
ANNUAL REPORT TO THE COMMUNITY
MARCH, 1976**

Figure 5
Woodland Memorial Hospital, 1976 Annual Report, Cover.

BOARD OF DIRECTORS REPORT

Philip R. Collins, President (1978)	B. Regnar Paulsen, Vice-President (1981)
Mrs. Pilar Andrade (1979)	Samuel Houston, M.D. (1978)
Robert Burns, M.D. (1979)	James Leathers (1980)
Spencer Chester, M.D. (1980)	E. Les Means (1981)
Frank Gardner (1980)	Woodring Pearson, M.D. (1981)
Robert Hansen, M.D. (1978)	C. Martin Wilmarth (1979)

PRESIDENT'S REPORT

I welcome this opportunity to report to the community on behalf of the Woodland Memorial Hospital. As a voluntary, not-for-profit community institution, one of our objectives is to report on our stewardship: on the resources entrusted to us, on hospital policies and operations and on our purposes, aims and goals.

The attendance and response at the annual meeting of our not-for-profit hospital corporation on January 13th was most gratifying. We had good representation from all of the groups that make up the hospital family: the Hospital Board, the Woodland Memorial Hospital Foundation, the Women's Auxiliary, the active medical staff and some of our management people. They presented outstanding reports on activities of the past year.

In attendance this year, for the first time, were most of the 40 newly appointed members of the hospital corporation. Under our bylaws, these are community representatives who convene at the annual meeting to hear reports, conduct corporation business and elect directors to the Hospital Board.

The bylaws changes adopted at the last annual meeting also provided for expansion of the Board of Directors from 11 to 13 members. Mrs. Pilar Andrade of Woodland and Mr. Martin Wilmarth of Colusa were appointed to the two new Board positions during the year. We want to acknowledge the fine contribution they are making.

We also wish to extend our appreciation to Dr. Ben Robinson who has served on the Board the past two years. We are pleased that Dr. Sam Houston has been recently appointed in his place.

These along with 9 incumbent Directors were elected to new terms by the membership. We are most fortunate to have a group of dedicated Directors who give unselfishly of their time and talents in the community's behalf.

Fiscal 1975 was marked by continued growth in services to our community. Over 15,000 patients were served. Two-thirds of these were treated in our emergency department. The number of emergency cases has been increasing at the rate of about 12% per year. In

the private hospital.

A second way was used to determine the identity of officers and directors of the private hospital. This was possible because all businesses are required to disclose certain information concerning the main individuals responsible for the operation of the business. This requirement results from the fact that businesses, in the normal everyday conduct of work, enter into agreements, or contracts, that, in fact, are central to the operation of the business. Other businesses, parties to such contracts, need to know the identity of the legally responsible individuals in the event the business can not pay its bills or meet its obligations. When the legally responsible parties are known it becomes possible to seek a court action (called a judgement) for satisfaction.

There are only three general types of businesses: corporations, partnerships, and sole proprietorships. Woodland Memorial Hospital is a corporation. The records regarding individuals responsible for corporations are kept by an agency of state government. This is so because only one business can operate under a given corporation name in a particular state. Thus, in California, there can be only one corporation with the name Woodland Memorial Hospital. Moreover, the state agency charged with enforcing this also collects periodic reports from all California corporations. These identify principal officers and at least three people on the Board of Directors.

THE SECRETARY OF STATE IS THE AGENCY THAT KEEPS RECORDS OF OFFICERS AND DIRECTORS OF CORPORATIONS (NOTE: IN A FEW STATES A COMMISSIONER OF CORPORATIONS OR BUREAU OF REGULATORY AGENCIES PERFORMS THIS FUNCTION).

In the present case a Statement of Officers and Directors of Woodland Memorial Hospital was obtained from the California Secretary of State. A copy of the 1977 statement is shown in Figure 7. As is clear, Leathers is identified as President of the corporation. Copies of documents, such as that shown in Figure 7, are routinely issued by public agencies at nominal cost. Often they can be ordered by

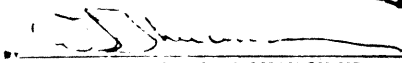
STATEMENT BY DOMESTIC CORPORATION			
THIS STATEMENT MUST BE FILED WITH CALIFORNIA SECRETARY OF STATE (SECT. 3301, CORPORATIONS CODE). PLEASE READ THE INSTRUCTIONS ON THE BACK OF THE FORM BEFORE COMPLETING.			
THE CORPORATION NAMED HEREIN, ORGANIZED UNDER THE LAWS OF THE STATE OF CALIFORNIA, MAKES THE FOLLOWING STATEMENT:			
ADDRESS & LOCATION OF ITS PRINCIPAL OFFICE Woodland Memorial Hosp. 1325 Cottonwood Street <small>NUMBER AND STREET (DO NOT USE P.O. BOX NO.)</small>		SUITE OR ROOM 1A	CITY & STATE Woodland, CALIF.
			ZIP CODE 95695
MAILING ADDRESS IF DIFFERENT THAN 1 1B		SUITE OR ROOM 2A	CITY & STATE
			ZIP CODE
THE NAMES OF THE FOLLOWING OFFICERS ARE			
PRESIDENT: NAME James G. Leathers			
922 Elm Street <small>BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX NO.)</small>		4A Woodland, CA <small>CITY & STATE</small>	4B 95695 <small>ZIP CODE</small>
VICE-PRESIDENT: NAME Franklin K. Gardner			
609 Court Street <small>BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX NO.)</small>		6A Woodland, CA <small>CITY & STATE</small>	6B 95695 <small>ZIP CODE</small>
SECRETARY: NAME C. Gordon Thurman			
1325 Cottonwood St <small>BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX NO.)</small>		8A Woodland, CA <small>CITY & STATE</small>	8B 95695 <small>ZIP CODE</small>
TREASURER: NAME C. Gordon Thurman			
1325 Cottonwood St <small>BUSINESS OR RESIDENCE ADDRESS (DO NOT USE P.O. BOX NO.)</small>		10A Woodland, CA <small>CITY & STATE</small>	10B 95695 <small>ZIP CODE</small>
DO NOT WRITE IN THIS SPACE		SIGNATURE OF CORPORATE OFFICER 	
FILED SACRAMENTO, CALIF. JUL 9 1977 Wanda Foley Sec SECRETARY OF STATE		July 7, 1977 Administrator 4 11570 7/77 57190-A WOODLAND MEMORIAL HOSP. HILL COTTONWOOD ST WOODLAND, CALIF.	

Figure 7
Statement of Officers and Directors (portion),
Woodland Memorial Hospital 1977.

phone or mail. Most requests for such documents originate with attorneys or people seeking information about businesses with which they have made contracts. In California there are more than 1,000,000 corporations with filings at the office of the Secretary of State. The volume of data involved is so enormous that it is handled by computer and microfilm. However, the Secretary of State maintains a public service counter at the main office in Sacramento where members of the general public may personally request and then see the documents in which they are interested.

There is no charge for this counter service unless permanent photocopies of documents are requested. Figure 8 shows a reproduction of a counter information request form that is filled out in person. A lot of information about a corporation can be obtained from the Secretary of State. It is useful to know the meaning of the terms used in the Corporation Information request form.

State of Incorporation

A corporation may organize (or incorporate as it is called) under the laws of any state. States differ in tax treatment of corporations and in some other aspects as well. Thus, a corporation may choose to establish itself under the laws of one state but operate in another state. The most complete records will normally be found in the office of the Secretary of State, or analogous agency, in the state of incorporation. But the state in which the corporation conducts business, if different, will keep a record of the state of incorporation to assist in tracking down the names of officers and directors.

Example. M & T, Inc., is incorporated in Nevada but conducts farming operations in California. The California Secretary of State has M & T, Inc., in its computer record but will refer inquiries to Nevada for the bulk of desired information. Thus, the names of officers and directors of M & T, Inc., must be obtained from the Nevada Secretary of State in Carson City, Nevada.

Date of Incorporation

Refers to date when business organized under current name.

Corporation Number

A filing number used by state agencies to keep track of a corporation, for example, for payment of required franchise taxes.

County

If incorporated in California, refers to county where principal office is located. Corporation is required to file a copy of articles of incorporation (see below) with County Clerk in that county as well as with the Secretary of State.

Agent for Service of Process

Refers to out of state, or as they are called "foreign," corporations. Name of agent of corporation who may be served with legal papers, as in a lawsuit seeking a judgement for settlement of contractual obligations.

Statement of Officers

Numerical code used in locating microfilm copy of Statement of Officers and Directors.

Status

"Good Standing" indicates that corporation has filed all required documents and has paid all required franchise taxes. Note that if a corporation has been

OFFICE OF
MARCH FONG EU, SECRETARY OF STATE

CORPORATION INFORMATION
(Counter)

CORPORATION NAME: WOODLAND MEMORIAL HOSPITAL

76

Check for information required:

_____ State of Incorporation _____

_____ Date of Incorporation or Qualification _____

_____ Corporation Number _____

_____ County _____

_____ Agent for Service of Process _____

X _____ Statement of Officers # 79-105909

_____ Status: 77-139877

Good Standing _____

Suspended _____

Forfeited _____

Dissolved _____

Surrendered _____

Merged into _____

_____ on _____

Other _____

_____ Look at Articles of Incorporation

Figure 8
Corporation Information Request (counter service), California
Secretary of State.

dissolved (gone out of business) then a record of the corporation will still exist. In that event the corporation name is "surrendered" and another business could form and use that name. Also, if a corporation is merged into another business, a record of that fact is also made (including the date). Most corporation records (excepting Statements of Officers and Directors) filed with the Secretary of State are permanent and remain on file even if the business is terminated.

Articles of Incorporation

Legal documents required by the state of incorporation. Usually contains very general statements about the nature of the business that the corporation intends to conduct. Such documents must be filed and reviewed by the Secretary of State, or analogous agency, when the corporation is set up. Articles of incorporation are normally prepared by an attorney familiar with corporation law.

To learn more about the private Woodland Memorial Hospital, the articles of incorporation were requested from the California Secretary of State. From these legal documents establishing the corporation it was determined that WMH was a private, non-profit corporation and had legally committed itself to providing some degree of free health care to the community. Figure 9 shows a portion of the articles of incorporation of the hospital. According to this statement, treatment will be given "...with or without compensation therefor." Some people in the Coalition believed that WMH did not provide adequate services for the poor. They viewed the possible closing of Yolo General Hospital with alarm. They feared that loss of Yolo General would take away the facility where the poor could always be assured of treatment. Someone found a magazine article about seven other public hospitals throughout the state that had been closed in the previous ten years, and a number of cases in which low income citizens had suffered loss of health care services were documented to have occurred as a result. This raised questions about the record of WMH and its commitment to provide such care if Yolo General were to be closed. The issue boils down to whether detailed financial records of WMH could be found.

NUMEROUS STATE AND FEDERAL REGULATORY AGENCIES COLLECT ANNUAL FINANCIAL REPORTS WITH VOLUMINOUS DETAIL REGARDING THE REGULATED BUSINESSES.

A detailed description of public agencies regulating various types of businesses is presented in Chapter 2 of this guidebook.

401057

ARTICLES OF INCORPORATION

of

THE WOODLAND CLINIC MEMORIAL HOSPITAL AUG 29 1960

FILED

In the Office of the Secretary of State of the State of California

FRANK M. [Signature]

By [Signature]

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of California; that the corporation is organized pursuant to the General Nonprofit Corporation Law or pursuant to Part 1 of Division 2 of Title 1 of the Corporations Code, and we do hereby certify:

FIRST: The name of this corporation shall be:

THE WOODLAND CLINIC MEMORIAL HOSPITAL

SECOND: The primary business in which the corporation is intended to engage is that of acquiring, establishing, maintaining, conducting and operating hospitals, sanitariums, rest or retirement homes, maternity homes, dispensaries, clinics and places and institutions for the care and treatment of the sick, afflicted and aged, and to furnish and supply care, treatment, hospitalization and other services therein with or without compensation therefor.

THIRD: The purposes for which this corporation is formed are:

- 1. To establish, maintain, conduct and operate hospitals, sanitariums, asylums, rest or retirement homes, maternity

Restriction of right to amend articles Yes

Figure 9 Articles of Incorporation (portion), California Secretary of State.

In the present case it was decided to determine whether there is an agency that regulates all hospitals in California to which WMH might be required to report. Various inquiries to county and state health agencies led to the California Health Facilities Commission. Figure 10 shows the front page of such an annual report filed by WMH. This document is an extensive report of financial matters that is filed by the hospital officer, in this case C. Gordon Thurman. Figure 11 shows a reproduction of the first page of questions and responses in Woodland Memorial Hospital's report.

The value of this document can be seen in question three and the detailed response contained in both questions three and four. Basically, Thurman reports that the hospital's laboratory and X-ray services are being operated by a private contractor that is owned, at least in part, by persons who are officers, directors or members of the medical staff of Woodland Memorial Hospital. A detailed description of the contractor is provided on the next page of the financial report. This is shown in Figure 12. According to this statement the Woodland Clinic Medical Group, a private for-profit partnership, provides the contracted services in what is otherwise a non-profit institution.

The 1975 financial statement of income and expense for WMH is reproduced in Figure 13. The statement indicates that total income of \$5.24 million exceeded total expenses to yield a net income of \$229,960. However, because this income is not distributed to individuals, the hospital maintains non-profit status. Another, more subtle, point in the statement of income and expense is the fact that total expenditures for charity amounted to just over \$6,000. This amount contrasts sharply with the net income of \$229,960. Once this information became known in the community someone pointed out that WMH, a private hospital, was built with funds that included nearly \$1,000,000 in Federal (Hill-Burton Act) grants. When staff from the State Department of Health were contacted about this it was learned that hospitals receiving Hill-Burton grants are required to furnish a certain volume of free hospital care to the poor. The financial report suggested that Woodland Memorial Hospital was not

GENERAL INFORMATION AND CERTIFICATION

00278

MAR 03 1976

1. Health Care Institution (Legal Name): <u>Woodland Memorial Hospital</u>		2. State Facility No.: <u>94-1492008</u>	
3. D.B.A. (Doing Business As): <u>Same</u>		4. Hospital Business Phone: <u>(916) 662-3961</u>	
5. Street Address: <u>1325 Cottonwood Street</u>		6. City: <u>Woodland</u>	
7. Mailing Address (if different) Street or P.O. Box: <u>Same</u>		8. City: <u>Same</u>	9. Zip Code: <u>95695</u>
10. Chief Executive Officer: <u>Mr. C. Gordon Thurman</u>		11. Title: <u>Administrator</u>	
12. Person to Contact for Questions: <u>Mr. Ray Jones</u>		13. Phone: <u>(916) 662-3961 Ext: 432</u>	
14. Name of Owner: <u>Woodland Memorial Hospital Inc.</u>			
15. Previous Name of Institution if Changed Since Previous Report: <u>N/A</u>			
16. Previous State Facility No. if Changed Since Previous Report: <u>N/A</u>			
17. Report for Period: From: <u>October 1, 1974</u> To: <u>September 30, 1975</u>			

CERTIFICATION

I, C. Gordon Thurman (Name of Individual), certify under penalty of perjury as follows: That I am an official of Woodland Memorial Hospital (Name of Institution) and am duly authorized to sign this certification; that, if applicable, the Commission's accounting and reporting system as set forth in the Commission's "Accounting and Reporting Manual for California Hospitals" has been implemented by this institution; that as applicable, the data in the accompanying reports are based on that system; and that to the best of my knowledge and information I believe each statement and amount in the accompanying report to be true and correct.

Dated: _____ By: [Signature] (Signature)
 Title: Administrator
 Address: 1325 Cottonwood Street
Woodland, California 95695

Mail to: California Health Facilities Commission
 555 Capitol Mall, Room 525
 Sacramento, California 95814
 Telephone: (916) 322-2810

CHC 70A

Figure 10
 Annual Report to California Health Facilities Commission,
 Woodland Memorial Hospital, Title page.

RELATED HOSPITAL INFORMATION

00278

Health Care Institution Woodland Memorial Hospital

State Facility No. 94-1492008

1. Are any costs included which are a result of transactions with a related organization as defined in Reg. 405.427? (HIRM-4)
 Yes No (If "Yes," complete part 2)

2. Costs incurred as result of transactions of over \$10,000 annual value with related organizations per 1 above.

Form No.	Column No.	Line No.	ITEM	Annual Amount
				\$
			N/A	

3. Are any costs included which are a result of transactions with an organization of which a hospital employee, Board Member, or member of the Medical Staff is an officer or owner? (Ignore stock ownership of less than 3%)
 Yes No (If "Yes," complete part 4)

4. Costs incurred as result of transactions over \$10,000 annual value with organizations with related personnel per 3 above.

Form No.	Column No.	Line No.	ITEM	Annual Amount
17	12	28	Contracted Services - Laboratory	\$ 346233
17	12	31	Contracted Services - Laboratory Other	48021
17	12	36	Contracted Services - Radiology - Diagnostic	152152
17	12	37	Contracted Services - Radiology - Therapeutic	3139
17	12	38	Contracted Services - Nuclear Medicine	42762

5. Were free services furnished to or accounts written off for an individual employee, officer, Medical Staff, Trustee, Director, or immediate relative of the same in excess of \$500?
 Yes No

If so, what was total amount of such benefits? \$ _____

6. Are any costs identified in 2 or 4 in excess of those for similar goods and services available from unrelated organizations or organizations with unrelated personnel?
 Yes No (If "Yes," complete part 7)

7.

Approved By Board	Approved By Administrator	ITEM(S)	Annual Value
<input type="checkbox"/>	<input type="checkbox"/>		\$
<input type="checkbox"/>	<input type="checkbox"/>	N/A	
<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>		

8. Are total funds in excess of 60 days operating requirements deposited in accounts that are not earning interest?
 Yes No

If "Yes," what is amount of such excess? \$ _____

STATEMENT OF COMPENSATION OF OWNERS

Name	Title and Function	Sole Proprietorship	Partners		Corporation Officers		Compensation Included in Costs for the Period *
		Percentage of Customary Work Week Devoted to Business	Percent Share of Operating Profit or Loss	Percentage of Customary Work Week Devoted to Business	Percent of Provider's Stock Owned	Percentage of Customary Work Week Devoted to Business	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Philip R. Collins	Board of Directors - Pres.					5.77%	—
B. Ragnar Paulsen	Board of Directors - V.P.					4.81%	—
E. L. Means	Board of Directors					4.81%	—
F. M. Gardner	Board of Directors					4.81%	—
J. G. Leathers	Board of Directors					5.77%	—
P. Andrade	Board of Directors					3.46%	—
M. Wilmar	Board of Directors					3.46%	—
W. Pearson	Board of Directors - M.D.					3.46%	—
K. A. Burns	Board of Directors - M.D.					3.46%	—
S. T. Chester	Board of Directors - M.D.					3.46%	—

* Compensation as used in this schedule has the same definition as in Reg. 405.426 (HIRM-1).

R. R. Hansen Board of Directors - M.D. 3.46% (4-75)
 C. G. Thurman Administrator - Secty. 100% 26,860

Figure 11 Annual Report to California Health Facilities Commission, Woodland Memorial Hospital, First page.

3. Continued

RELATED HOSPITAL INFORMATION **00278**

Health Care Institution Woodland Memorial Hospital State Facility No. 94-1192008

10. STATEMENT OF COMPENSATION PAID TO ADMINISTRATORS AND/OR ASSISTANT ADMINISTRATORS

Name	Title	Percent of Customary Work Week Devoted to Business	Compensation for the Period
C. G. Thurman	Administrator	100%	26,860.

11. Are any funds held in trust by an outside party which are not reflected on the Balance Sheet?

Yes No

If "Yes," what is the total amount? \$ _____

12. Section 1191 references five general types of financial arrangements which exist between hospitals and hospital-based physicians. Check the appropriate boxes below to indicate the type of financial arrangement which exists in your hospital for the various hospital departments having such arrangements. If none of the five types of financial arrangements

described are appropriate, check the "Other" line and describe the arrangement in the space below. If the physician is salaried, check the "Salaried" line. For departments other than those named below, please complete the column heading.

Financial Arrangement	HOSPITAL DEPARTMENT							
	Laboratory	Radiology	Nuclear Medicine	EKG	EEG	EMG	ER	(9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Normal								
2. Contracted							✓	
3. Rental								
4. Independent								
5. Agency								
Salaried								
Other	✓	✓	✓	✓	✓	✓		

COMMENTS: Contract with Woodland Clinic Medical Group - Hospital Bill pt for
Technical part only. WCMG bills professional part. Lab, X Ray & Nuclear Med. The
WCMG supplies labor + matl + share this expense according to % of Revenue
to Total when combined w/ THEIR Lab & X Ray Revenue (Prof Rev excluded)

e. MAR 22 1976

STATEMENT OF INCOME—UNRESTRICTED FUND

MAR 03 1976

Health Care Institution Woodland Memorial Hospital

00273 MAR 22 1976
State Facility No. 94-1492008

	(1) Current Year	(2) Prior Year
OPERATING REVENUES:		
Daily hospital services _____	\$ 2395 456	\$
Ancillary Services:		
Inpatient _____	2512 070	
Outpatient _____	616 602	
GROSS PATIENT REVENUE _____	5524 128	
DEDUCTIONS FROM REVENUE:		
Charity _____	6 099	
Gifts, subsidies for indigent care _____	()	()
Provision for bad debts _____	134 428	
Medicare contractual allowances _____	151 720	
Medi-Cal contractual allowances _____	320 47	
Other contractual allowances _____		
Other allowances _____	3332	
TOTAL DEDUCTIONS FROM REVENUE _____	327 122	
NET PATIENT REVENUE _____	5196 502	
OTHER OPERATING REVENUE:		
Cost adjustments and minor recoveries _____	4332	
Cost recoveries _____	42 839	
Other operating revenue _____		
TOTAL OPERATING REVENUE _____	5243 673	
OPERATING EXPENSES:		
Daily hospital service _____	1 441 089	
Ancillary Services _____	207 491	
Research _____		
Education _____		
General services _____	812 634	
Fiscal services _____	317 236	
Administrative services _____	539 337	
TOTAL OPERATING EXPENSES _____	5186 787	
NET FROM OPERATIONS _____	56 886	
NONOPERATING REVENUE AND EXPENSE:		
Unrestricted gifts and bequests _____	68 536	
Unrestricted income from endowment funds _____		
Income and gains from investments _____		
Other: _____	104 538	
NET INCOME BEFORE TAXES, AND EXTRAORDINARY ITEMS _____	229 960	
PROVISION FOR INCOME TAXES:		
Current _____		
Deferred _____		
NET INCOME BEFORE EXTRAORDINARY ITEMS _____	229 960	
EXTRAORDINARY ITEMS:		
(Specify) _____		
NET INCOME _____	\$ 229 960	\$

Figure 13
Annual Report to California Health Facilities Commission,
Woodland Memorial Hospital, Statement of Income.

meeting its Hill-Burton obligation. This, too, had a significant impact on community opinion regarding whether or not to permit the phasing out of the public hospital's services.

An effort was made to determine business affiliations of the individuals involved in the ad hoc committee by utilizing disclosure regarding partnerships that occurs under commercial laws. General partnerships are for-profit businesses in which the partners have legal responsibility (liability) for the debts of the partnership. A public record is maintained by county officials of the partners (or "associates" as they are called) of partnerships operating in each county so that creditors can sue those responsible for the business. These partners can be individuals, other partnerships, or corporations.

THE COUNTY CLERK KEEPS RECORDS PERTAINING TO FICTITIOUS BUSINESS NAMES (CALLED ASSUMED BUSINESS NAMES IN SOME STATES).

A Statement of Fictitious Business Name is filed whenever a business is set up under an assumed name that does not include the surnames of all of the partners (see Chapter 3 for more details). In the case of the individuals Leathers and Burns, the alphabetical index of associates (partners) was searched in the office of the Yolo County Clerk. Under Burns' name the Burns Building Company was located. Figure 14 shows the Statement of Fictitious Business Name discovered in this manner.

Since a "building company" might own real estate, the name was searched in the alphabetical index at the County Assessor's office. The record showed that Burns Building Co. owned property (see Table I-2). But County Assessor's records are not legal proof of ownership and they can contain errors. They are only the Tax Assessor's list. Another county office has records of legal ownership. However, unlike the County Assessor's records, the documents regarding legal ownership are not indexed in a simple manner.

LEGAL PROOF OF REAL PROPERTY OWNERSHIP IS CONTAINED IN A GRANT DEED. DEEDS ARE FILED (RECORDED) IN THE OFFICE OF THE COUNTY RECORDER.

COUNTY CLERK

FILED
YOLO COUNTY

DEC - 1 1978

FILE NO. 78-453 FILING FEE - \$10.00

FICTITIOUS BUSINESS NAME STATEMENT

LAURENCE P. HENIGAN, Clerk
By Walter Bitze

ADS-10

The following person (persons) is (are) doing business as:

BURNS BUILDING CO
(FICTITIOUS BUSINESS NAME)

at (*) 1207 FAIRCHILD CT
WOODLAND, CA 95695

(**) 1. SSE ATTACHED SHSET 2. _____
(FULL NAME - TYPE/PRINT) (FULL NAME - TYPE/PRINT)

(ADDRESS)

(ADDRESS)

(CITY)

(CITY)

3. _____
(FULL NAME - TYPE/PRINT)

4. _____
(FULL NAME - TYPE/PRINT)

(ADDRESS)

(ADDRESS)

(CITY)

(CITY)

(***) This business is conducted by GENERAL PARTNERSHIP

Signed [Signature]

This statement was filed with the County Clerk of Yolo County on date indicated by file stamp above.

Figure 14

Statement of Fictitious Business Name - Burns Building Co. (portion),
Yolo County Clerk.

Thus, to actually prove ownership requires that the grant deed be located.

In most cases the County Assessor's records provides the easiest way to find deeds.

It frequently includes a "deed reference," the number code for locating deeds.

Table I-2
 Alphabetical Index (partial listing), Yolo County Tax Assessor.

<u>Name</u>	<u>Parcel Number</u>	<u>TRA</u>
Burns, Arthur G. & Helen F.	35-144-04	01-009
Burns Building Co., A Partnership	65-161-15	03-000
Burns Building Co., A Partnership	65-161-16	03-000
Burns Building Co., A Partnership	65-161-17	03-000
Burns Building Co., A Partnership	65-161-21	03-000
Burns Building Co., A Partnership	65-161-22	03-000
Burns Building Co., A Partnership	65-120-43	03-000
Burns, James W. & Diana E.	33-501-01	01-005

Because of the great legal significance of deeds a systematic process for maintaining them was established long ago. Briefly, when someone (individual, partnership, or corporation) acquires title to a property, a deed is immediately filed with the County Recorder establishing legal claim to the property in question. The deed states that the seller (called "Grantor") has given (sold) legal claim in the property to the buyer (called "Grantee"). The County Recorder's job is to keep (record) all deeds for property within the county. These records are kept permanently and are sometimes referred to as O.R. (Official Records).

When asked for a deed reference for the property owned by Burns Building Co. the staff of the County Assessor furnished the number "1094/617," meaning Volume 1094, page 617 of the official records kept by the County Recorder. With this information the County Recorder can be asked to furnish the actual deed. A copy of the deed of interest is shown in Figure 15. Notice that the volume and page number are clearly stamped directly on the document. This document states that Woodland Memorial Hospital (grantor) sold to Burns Building Co. (grantee) the property described.

Deed references can also be found in the Recorder's office if the year of sale (or approximate year of sale) is known and if the name of either seller or buyer is known as well. This is because the Recorder puts together an annual alphabetical index of Grantors (sellers) and a separate one of Grantees (buyers). Table I-3

RECORDING REQUESTED BY
TRANSAMERICA TITLE INS
COMPANY
1102-37654

VOL 1091 PAGE 611
OFFICIAL RECORDS
RECORDED AT REQUEST OF
TRANSAMERICA TITLE
INSURANCE COMPANY
FEB 27 1974

AND WHEN RECORDED MAIL TO

Name
Street
Address
City
State
Zip

BURNS BUILDING
1207 Fairchild Court
Woodland, California

At 36 Min. Past 4 O'clock P.M.
YOLO COUNTY, CALIFORNIA

Recorder
\$300

MAIL TAX STATEMENTS TO

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Name
Street
Address
City
State
Zip

SAME AS ABOVE

DOCUMENTARY TRANSFER TAX BY 79.20
 COMPUTED ON FULL VALUE OF PROPERTY CONVEYED
 COMPUTED ON FULL VALUE LESS LIEN ENCUMBRANCES
REMAINING THEREON AT TIME OF SALE

TRANSAMERICA TITLE INSURANCE COMPANY

Judy K. Conway
Deponent's Signature (or agent) Firm Name
TRANSFER TAX \$

GRANT DEED (CORPORATION)

(Escrow No. 37654)

By this instrument dated FEBRUARY 25, 1974, for a valuable consideration,

WOODLAND MEMORIAL HOSPITAL, a California corporation

hereby GRANTS to

BURNS BUILDING, a partnership

the following described Real Property in the State of California, County of Yolo

City of Woodland

PARCEL 1:

A. Parcel 2, as shown on the "Parcel Map No. 1093 of Lot 1 Hospital Subdivision", recorded in Book 1 of Parcel Maps, at page 8, records of said County.

NOTE: Any conveyance or encumbrance of the above described property should contain the following;

B. An undivided 1/4 interest in Parcels A, B, C and D, as shown on the "parcel Map No. 1093 of Lot 1 Hospital Subdivision", recorded in Book 1 of Parcel Maps, page 8, records of said County.

PARCEL 2:

Lot 2 as shown on the map of "Hospital Subdivision", recorded in Book 6 of Maps, page 97, records of said County.

PARCEL 3:

Lot 3, as shown on the Map of "Hospital Subdivision", recorded in Book 6 of Maps, page 97, records of said County.

EXCEPTING THEREFROM THE Ease 10 feet of said property,

WOODLAND MEMORIAL HOSPITAL, a California corporation

BY: D. R. KELLEY, Secretary & Treasurer

Form No. 541
Revised 9-67

STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

Secretary-treasurer

On FEBRUARY 27, 1974, before me, the undersigned, a Notary Public in and for said County and State, personally appeared D. R. KELLEY

XXX

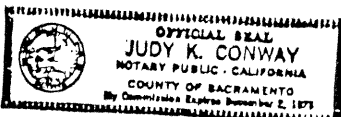
known to me to be the Secretary of the Corporation

that executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that the Corporation executed the same

Notary's Signature

Type or Print Notary's Name

JUDY K. CONWAY



MAIL TAX STATEMENTS AS DIRECTED ABOVE

2632

BOOK 1094 PAGE 617

Figure 15
Corporation Grant Deed, Burns Building Co., Yolo County Recorder.

Table I-3
 General Index, Yolo County Recorder, Grantor 1974

<u>Doc. No.</u>	<u>Grantors, Defendants, etc.</u>	<u>Grantee, etc.</u>	<u>Filing date</u>	<u>Title</u>	<u>Book</u>	<u>Page</u>
17807	Woodland Jt. Un. Sch. Dist. et al	Marks, Steve	12/12/74	Resol.	1129	31
2632	Woodland Memorial Hospital	Burns Building Co. PTP	2/27/74	Deed	1094	617
905	Woodland Mobil Investors et al	Cal St Industrial et al	1/23/74	Mech Ln	1090	123
6422	Woodland Mobil Investors Ltd P et al	Cal St Industrial et al	5/ 8/74	Nt DFlt	1103	147

Table I-4
 General Index, Yolo County Recorder, Grantee 1974

<u>Doc. No.</u>	<u>Grantees, Plaintiffs, etc.</u>	<u>Grantor, etc.</u>	<u>Filing date</u>	<u>Title</u>	<u>Book</u>	<u>Page</u>
4487	Burnham, Mildred C.	Burnham, Dahl C.	4/ 2/74	QC Deed	1099	42
461	Burns Building Co. PTP	Transa Title Ins Co	1/11/74	Deed	1089	11
2632	Burns Building Co. PTP	Woodland Memorial Hospital	2/27/74	Deed	1094	617
9855	Burrious, David L. et al	Fireside Sec Corp	7/11/74	Recon	1110	525

shows a portion of the Annual Grantor Index dealing with the purchase by Burns Building Co., while Table I-4 shows a portion of the Annual Grantee Index for the same transaction. Notice that both Indexes have reference to the sale and, in addition, the Grantor Index has reference to another document about the Burns partnership. A copy of that document is reproduced in Figure 16. This is a Statement of Partnership required of partnerships owning real estate.

The Partnership Statement discloses the names of the partners and mentions the fact that one of the partners is the Profit Sharing Plan of the Woodland Clinic Medical Group, the partnership that provides contracted services with the non-profit Woodland Memorial Hospital (see Figure 12 also).

Outcome. The Coalition to Keep Yolo General Open used grass-roots organizing techniques to build public support for maintenance of and commitment to the County Hospital. These included a petition drive, writing letters to the editor, organizing house meetings, a public demonstration with picketing, contacting forty-two community organizations and organizing a large turnout of over five hundred citizens at the required public hearing in May of 1976. The information gathered in the investigative phase of this work was used in leaflets, in letters to the editor of local newspapers, and in testimony offered by citizens at the public hearing.

The show of public concern impressed the County Board of Supervisors, three of whom were up for re-election in the June 1976 primary. The Board quickly voted 5-0 to keep the public hospital operating at its current level and scrapped the ad hoc committee's proposals.

When recorded, return to:
Mr. D. R. Kelley, Business Manager
Woodland Clinic Medical Group
1207 Fairchild Court
Woodland, California 95695

VOL. 1059 PAGE 105
OFFICIAL RECORDS
RECORDED AT REQUEST OF
TRANAMERICA TITLE
INSURANCE COMPANY
APR 19 1973
At 23 Min. Past 2 O'clock P.M.
YOLO COUNTY, CALIFORNIA
Recorder
\$5.00

STATEMENT OF PARTNERSHIP
OF
BURNS BUILDING COMPANY

BURNS BUILDING COMPANY declares that it is a Partnership and that:

1. The name of this Partnership is BURNS BUILDING COMPANY.
2. The name of each of the Partners is ADMINISTRATION TRUST COMPANY, as Trustee under the WOODLAND CLINIC MEDICAL GROUP PROFIT SHARING PLAN AND TRUST AGREEMENT of February 29, 1968, and RICHARD K. PARK, JOHN R. PAYNE, JOHN E. REISNER, LAWRENCE T. ROLLINS, and PAUL H. STAVIG.
3. The Partners named in this Statement are all of the Partners.
4. Any Partner named in this Statement, either alone or in combination with any other Partner named in this Statement, may convey title to any real property held in the Partnership name by a conveyance as defined in Section 15010.5(2) of the California Corporations Code executed in the Partnership name.

IN WITNESS WHEREOF, the Partners have executed this Agreement on the day and year written opposite their signatures hereunder.

21		ADMINISTRATION TRUST COMPANY
22	Dated: 4/6/73	By <u>Walter Marshall, PRES.</u> Title
23	Dated: 4/6/73	<u>Mignon F. Carroll Vice Pres.</u> Title
24	Dated: 4/6/73	<u>Richard K. Park</u> Richard K. Park
25	Dated: 4/6/73	<u>John R. Payne</u> John R. Payne
26	Dated: 4/6/73	<u>John E. Reisner</u> John E. Reisner
27	Dated: 4/6/73	<u>Lawrence T. Rollins</u> Lawrence T. Rollins
28	Dated: 4/6/73	<u>Paul H. Stavig</u> Paul H. Stavig
29	Dated: 4/6/73	
30	Dated: 4/6/73	
31		
32		

BOOK 1059 PAGE 105

Figure 16
Statement of Partnership, Burns Building Co., Yolo County Recorder.

3. Organizing Farmworkers at Paloma Ranch.

The problem. Farmworkers at a large tomato ranch in California have been trying to organize a union for a number of years. Until recently the farm operator had been Andco Farms, Inc. However, fragmentary information obtained directly from workers and from a short news story indicated that the farm had been sold to a new owner, the Paloma Ranch. The news article mentioned that John B. Anderson, President of Andco Farms was involved in setting up this new partnership. How can information about the partnership be found?

The approach. Since a land-owning partnership is involved that does not use Anderson's name, a Statement of Partnership must be filed with the County Recorder. The question is where to find it. The farm is located in Yolo County. This means that the Yolo County Recorder should have a copy. The document may also be filed in all counties where the partnership owns property, no matter which state is involved. The document can be located by searching the Grantor Index for the years in which the transaction might have taken place. In this manner the reference "1390/339" was found, referring to Volume 1390, Page 339 of the Official Records of Yolo County. Figure 17 is a reproduction of the Statement of Partnership located in this way. The names of the partners are John B. Anderson and The Prudential Insurance Company of America.

Insurance companies are a type of business regulated by a government agency and individual companies must file detailed annual disclosure reports. Thus, because an insurance company is involved additional information is available regarding the joint venture (a type of partnership). The California Department of Insurance, headquartered in San Francisco, maintains a file of annual reports submitted by all insurance companies licensed to operate in the state. Among these is Prudential. Table I-5 shows a reproduction of a portion of a table from the Prudential disclosure report.

The disclosure report reveals that Prudential owns 50% of the Paloma Ranch. This annual report also lists all of Prudential's real estate partnership holdings. Other parts of the report lists all stocks and bonds owned by Prudential as well as

RECORDING REQUESTED BY:

18121

Daniel P. Russell

018421

WHEN RECORDED RETURN TO:

Daniel P. Russell
Russell, Calfee & Young
A Professional Corporation
P. O. Box 1201
Woodland, California 95695

OFFICIAL RECORDS
YOLO CO. - CALIF.
RECORD REQUESTED BY:
WESTERN TITLE EXCHANGE COMPANY

OCT 3 11 38 AM '79

PETER McNAMEE 5-

SPACE ABOVE THIS LINE FOR RECORDER'S USE

STATEMENT OF PARTNERSHIP

The undersigned, partners of Paloma Ranch Joint Venture, a joint venture (partnership) declare that:

A. Paloma Ranch Joint Venture, a joint venture, (partnership) is a partnership;

B. The name of this partnership is Paloma Ranch Joint Venture, a joint venture, (partnership);

C. The names of the partners are John B. Anderson, an individual, and The Prudential Insurance Company of America, a corporation.

D. The Prudential Insurance Company of America and John B. Anderson may convey (as defined in Section 15010.5(2) of the California Corporations Code) title to real property standing in the partnership name by a conveyance executed in the partnership name by both partners.

This Statement is executed on October 1, 1979.

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA

By:

Its

[Handwritten signature]
Vice President

BOOK 1390 PAGE 339

Figure 17
Statement of Partnership, Paloma Ranch, Yolo County Recorder.

details of real estate operations.

Outcome. In this case the outcome is not clear. Farmworker advocates have

Table I-5
Annual Statement for the Year 1979 of the Prudential Insurance Company of America,
California Department of Insurance.

SCHEDULE BA - Part 1. Showing other invested assets OWNED December 31, current year.					
<u>Number of Units and Description</u>	<u>Statutory Category</u>	<u>Year Acquired</u>	<u>Leasee or Location</u>	<u>Cost to Company</u>	
One Federal Street 50% Partnership Interest	Real Estate	1975	Boston, MA	10,000,000	
One Town Center Drive Associates 50% Partnership Interest	Real Estate	1979	Costa Mesa, CA	2,250,000	
Petro-Lewis Institutional Investors (1979), Ltd. 67.5% Limited Partnership Interest	Other	1979	Gulf of Mexico	15,000,000	
Paloma Farm 50% Partnership Interest	Real Estate	1979	various	10,507,876	
Parcel Eight Associates 95% Partnership Interest	Real Estate	1975	Philadelphia	15,648,789	
Park Fletcher 50% Partnership Interest	Real Estate	1978	Indianapolis	3,860,000	
Pastoria Creek Farms 50% Partnership Interest	Real Estate	1978	Kern County, CA	1,800,000	

learned that the Paloma Ranch properties include a 60,000 acre cotton ranch in Arizona as well as the California property. But the parties owning the ranch have now been identified.

4. Do Public Funds Build Privately Owned Nuclear Power Plants?

The problem. The accident at the Three Mile Island nuclear power plant near Harrisburg was also a disaster for those who had invested in the facility. Activists who oppose construction of new nuclear power plants asked if universities, public employee pension funds, or government agencies were investing public monies in "nukes." They thought that it might be possible to stop future public investments of this kind because of the great risk involved. Is it possible to determine whether Three Mile Island was built with public funds?

The approach. The first problem is to identify companies owning and operating nuclear power plants, particularly the Three Mile Island facility. Study of news reports at the time of the accident mentioned both the Metropolitan Edison Company as well as the General Public Utilities Corporation.

Since large corporations frequently have subsidiaries with completely different names it is necessary to determine some information about these companies, especially if they are related or if other, differently named subsidiaries are involved as well. One of the best standard sources describing large corporations is the series issued annually by Moody's Investors Services and available at most public libraries. In the present case Moody's Public Utilities Manual is the most helpful volume. This book contains summaries of material submitted to government regulatory agencies by the corporations involved, and includes a listing of all company subsidiaries that conduct an appreciable (greater than 1%) share of the total company business. A portion of this summary is shown in Figure 18.

From this secondary source it is determined that General Public Utilities Corp. is a holding company whose subsidiaries include Metropolitan Edison Co. and Jersey Central Power & Light Co. In addition, Moody's report mentions first mortgage bonds issued by these subsidiaries during 1977. Bonds are a type of investment security

GENERAL PUBLIC UTILITIES CORPORATION

CAPITAL STRUCTURE

CAPITAL STOCK Issue	Par Value	Rating	Amount Outstanding	Earnings per Sh.		Divs. per Sh.		Call Price	Price Range	
				1977	1976	1977	1976		1977	1976
Common	\$2.50		\$7,208,000 shs.	\$2.50	\$2.20	\$1.70	\$1.68	21 1/2	18 1/2 - 15 1/2

HISTORY

Incorporated in Pennsylvania on July 1, 1906. State of incorporation of General Public Utilities Corp. was changed from New York to Pennsylvania July 1, 1969. Originally incorporated in New York Mar. 19, 1906 as Associated Gas & Electric Co. (Ageco); name changed to General Public Utilities Corp. in July 1916 as part of a joint reorganization plan of company and former sole direct subsidiary, Associated Gas & Electric Corp. (Agecorp). Pursuant to the plan consummated Jan. 14, 1916, Associated Gas & Electric Corp. was merged into the company.

Associated Gas & Electric Co. originally acquired securities of various public utility companies, which operated principally in the north central part of New York State and in the West, Ohio. Interests in other public utility companies were acquired from time to time, principally after 1922, after which year the greatest expansion occurred. At the beginning of 1940, when reorganization proceedings were instituted by both Associated Gas & Electric Co. and Associated Gas & Electric Corp. the system consisted of more than 120 operating public utility companies located in 21 states and in the Philippine Islands.

Associated Gas & Electric Corp. was incorporated June 7, 1922, in Delaware, as a subsidiary of Associated Gas & Electric Co. Its name originally was Associated Utilities Investing Corp. and was changed to Associated Gas & Electric Corp. in 1932.

Since 1940 all operating public utility subsidiaries of system located outside of New Jersey and Pennsylvania have been sold or otherwise disposed of pursuant to orders of the SEC under provisions of the Public Utility

MANAGEMENT

Officers
 W.G. Kuhns, Chmn. & Chief Exec. Off.
 H.M. Dieckamp, Pres. & Chief Oper. Off.
 V.H. Condon, Jr., Vice-President
 E.J. Holcombe, Comptroller
 F.D. Hafer, Treasurer
 Helen M. Graydon, Secretary
 Grace Wade, Asst. Sec.

Directors
 L.J. Appell, Jr., York, Pa.
 J.F. Burditt, New York
 V.B. Diehl, East Hanover, N.J.
 H.M. Dieckamp, Parsippany, N.J.
 W.J. Hayford, Stamford, Conn.
 Barbara B. Hauptfuhrer, Huntington Valley, Pa.
 W.G. Kuhns, Parsippany, N.J.
 G.H. Lanier, Jr., Greenville, S.C.
 F.K. Thun, Reading, Pa.

Counsel: J.B. Liberman.
Auditors: Coopers & Lybrand.
Annual Meeting: First week in May.
No. of Stockholders: Dec. 31, 1977, 175,646.
No. of Employees: Dec. 31, 1977, (system), 10,911.

Office: 260 Cherry Hill Rd., Parsippany, NJ 07054. Tel.: (201)263-4900.

BUSINESS

Company is a registered public utility holding company subject to provisions of the Public Utility Holding Company Act of 1935, controlling directly a number of public utility operating companies located in New Jersey and Pennsylvania.

1977 Industrial Electric Revenues of Subsidiar-

rate on 1976 sales. The preferred stock dividend rate was 8.8%, compared to a 9.2% rate last year.

Common stock sales in 1977 under Co. dividend reinvestment program brought in about \$12 million from the sale of 591,000 shares.

On Jan. 4, 1977 Co. redeemed \$58 million of 10 1/2% debentures issued by GPU itself and due in 1980. The redemption was financed primarily with \$50 million in serial bank loans.

Common stock sales in 1977 amounted to \$83.9 million (\$70.5 million from sale of 3,770,000 shares through public rights offering; \$11.3 million from sale of 591,000 shares under dividend reinvestment plan and \$2.1 million from sale of 97,000 shares under Tax reduction Act Employee Stock Ownership Plan established in 1977).

By year-end 1977, System's short-term bank debt was \$72 million approximately 2% of capitalization.

Long-term debt issues during 1977 were:

In first mortgage bonds:			
Company	Amt. (\$)	Interest	Sold in
JCP&L	60,000,000	8 1/2%	May '77
Met. Ed.	30,000,000	8 1/2%	Sept. '77
Penelec	16,470,000	6 1/2%	Dec. '77

SUBSIDIARIES

The following is a list of subsidiaries of the company (percentage of voting stock ownership, as of Dec. 31, 1977, is 100%):
 Jersey Central Power & Light Co. (N.J.)
 Metropolitan Edison Co. (Pa.)
 York Haven Power Company (Pa.)
 Pennsylvania Electric Co. (Pa.)
 Nineveh Water Co. (Pa.)
 Waverly Elec. Light & Pr. Co. (Pa.)
 GPU Service Corporation

Figure 18

General Public Utilities Corp., Moody's Public Utilities Manual.

normally sold to the public. For this reason information concerning the investment must be filed with a government agency, the U.S. Securities and Exchange Commission.

WHENEVER STOCKS OR BONDS ARE SOLD TO THE PUBLIC AT LARGE THE SELLING COMPANY MUST REGISTER THE OFFERING WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

The exceptions to this requirement involve very small corporations or offerings of securities with a small aggregate value.

By contacting the SEC (see Chapter 2 for details about this) it was found that Form S-7 Registration Statements had been filed by Jersey Central Power & Light Co. These Form S-7 statements contain a great deal of information regarding the company offering the bonds as well as a detailed description of how the funds are to be spent and the nature of the property serving as collateral for the mortgage bonds.

Figures 19 and 20 show a portion of the SEC documents describing some of the bonds

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Rise

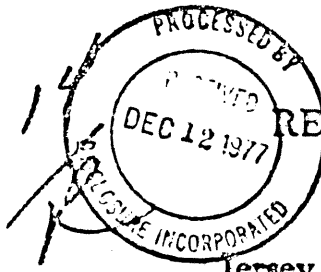
Registration No. 2-

60438

SECURITIES AND EXCHANGE COMMISSION

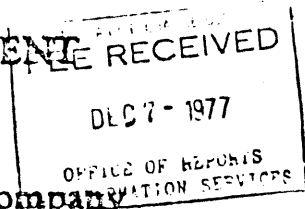
Washington, D. C. 20549

22-9459



FORM S-7

REGISTRATION STATEMENT



Under

The Securities Act of 1933

Jersey Central Power & Light Company

(Exact name of registrant as specified in its charter)

NEW JERSEY

(State or other jurisdiction of incorporation or organization)

21-0485010

(L.R.S. Employer Identification No.)

MADISON AVENUE AT PUNCH BOWL ROAD

07960

MORRISTOWN, N. J.

(Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code: (201) 539-6111

J. S. BURCHELL, Comptroller
Jersey Central Power & Light Company
Madison Avenue at Punch Bowl Road
Morristown, N. J. 07960

WILLIAM T. OSBORNE, General Counsel
Jersey Central Power & Light Company
Madison Avenue at Punch Bowl Road
Morristown, N. J. 07960

F. D. HAFER, Treasurer
General Public Utilities Corporation
260 Cherry Hill Road
Parlisspany, N. J. 07054

JAMES B. LIBERMAN, Esq.
Berlack, Israels & Liberman
26 Broadway
New York, N. Y. 10004

(Name and addresses of agents for service)

Copies to:

CHARLES J. JOHNSON, Jr., Esq.
Brown, Wood, Ivey, Mitchell & Petty
One Liberty Plaza
91 Liberty Street
New York, N. Y. 10006

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of the Registration Statement.

CALCULATION OF REGISTRATION FEE

Title of each class of securities being registered	Amount being registered	Proposed maximum offering price per unit*	Proposed maximum aggregate offering price*	Amount of registration fee
First Mortgage Bonds, % Series due 2008	\$50,000,000	101%	\$50,500,000	\$10,100

* Determined solely for purpose of calculating registration fee.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Figure 19

Form S-7 Registration Statement, Jersey Central Power & Light Company, Title Page, United States Securities and Exchange Commission.

of such decision cannot be evaluated at this time. This decision has been appealed to the U.S. Supreme Court.

On October 6, 1977, four New Jersey counties filed a complaint in the U.S. District Court for the District of New Jersey against the NRC, the Company and four other electric utilities owning interests in New Jersey nuclear generating stations now in operation or under construction. The complaint seeks a judgment (a) declaring that the liability limits of the Price-Anderson Act be declared unconstitutional and void, (b) enjoining the defendants from "proceeding toward the construction of any nuclear power plants until the lives and property of the plaintiffs and their residents are safeguarded" and (c) enjoining the operation of two nuclear generating stations, including the Oyster Creek station, "provided the defendants be given a reasonable period of time to provide security to pay potential losses and damages". On October 31, 1977, this action was served upon the Company. A stipulation has been entered into with counsel for the plaintiffs for the action to be held in abeyance pending a decision by the U.S. Supreme Court in the case involving the constitutionality of the Price-Anderson Act mentioned above.

The Company presently intends to continue its nuclear program as currently planned. If the Price-Anderson Act limitations on liability are ultimately held invalid, and if either or both of the requested injunctions are granted, however, under certain circumstances relating to the willingness of the Company's suppliers to deliver materials and equipment and the availability of adequate alternative insurance arrangements, such ruling could have a materially adverse effect on the continuation of the Company's nuclear program and upon its operations.

Transmission and Distribution System. At December 31, 1976, the Company owned 296 transmission and distribution substations which had an aggregate installed transformer capacity of 11,921,753 kilovolt-amperes ("KVA"), and 2,225 circuit miles of transmission lines, of which 434 miles were operated at 230,000 volts ("230KV"), 1,000 miles at 115 KV and the balance of 1,664 miles at 69 KV and 34.5 KV. The Company's distribution system included 5,640,735 KVA of line transformer capacity, 13,597 pole miles of overhead lines and 1,859 trench miles of underground cables.

Additions and Retirements of Electric Property. During the period from January 1, 1972 to September 30, 1977, the gross additions (including construction work in progress of \$417,443,000 at September 30, 1977) to the Company's utility property, exclusive of retirement of spent nuclear fuel, amounted to \$851,618,000, and retirements of utility property amounted to \$42,430,000, resulting in net additions (including such construction work in progress) of \$809,188,000 or an increase since 1971 of approximately 80% on an original cost basis.

Projects Under Construction. The following table sets forth certain information with respect to generating stations under construction having expected in-service dates prior to 1985.

Name	Effective Capacity (Net KW) (Winter)	Estimated Completion Date	Estimated Construction Cost Per KW (c)	Estimated Construction Cost (a)(c) (\$000)	Approximate Gross Investment at September 30, 1977 (c) (\$000)
<i>Nuclear:</i>					
Three Mile Island, Unit No. 2 (b)	227,000	1978	\$680	\$154,000	\$144,400
Forked River (d)	1,182,000	1983	\$770	\$912,000	\$182,200

(a) Represents the Company's present judgment of the eventual cost of completion of these facilities. Such estimates are subject to revision from time to time depending upon changes in the in-service date of the facility concerned, the rate of inflation, regulatory requirements and the cost of labor and materials.

Figure 20
Form S-7 Registration Statement, Jersey Central Power & Light Company, p.30, United States Securities and Exchange Commission.

sold to finance the ill-fated Three Mile Island facility. The bonds are called "Jersey Central Power & Light Co., First Mortgage Bonds, due 2008."

It is now possible to search the investment portfolios of public pension funds

BONDS OWNED AS OF JUNE 30, 1979—Continued

Issue	Interest Rate	Maturity Date	Par Value	Book Value	Average Book Yield	Market Value
Consumers Power Company Mtg	8.625	10/15/07	3,850,000.00	3,710,276.40	8.97	3,418,299
Consumers Power Company Mtg	9.000	10/01/06	500,000.00	436,797.50	10.40	455,215
Consumers Power Company Mtg	9.000	09/15/08	29,677,000.00	29,677,000.00	9.00	26,872,523
Dallas Power and Light Company Mtg	4.250	02/01/93	5,800,000.00	5,801,900.40	4.24	3,656,320
Dayton Power & Light Company Mtg	4.450	06/01/93	5,000,000.00	5,000,000.00	4.45	*2,952,400
Dayton Power & Light Company Mtg	5.625	05/01/97	2,600,000.00	2,044,484.00	7.87	1,693,458
Dayton Power & Light Company Mtg	8.250	10/01/99	1,540,000.00	1,542,083.00	8.23	1,316,946
Detroit Edison Company Mtg	2.750	03/01/85	3,071,000.00	2,915,495.18	3.66	2,148,932
Detroit Edison Company Mtg	2.875	03/15/84	1,483,000.00	1,328,153.06	5.09	1,071,574
Detroit Edison Company Mtg	4.625	06/01/89	6,000,000.00	5,946,990.91	4.73	*3,944,820
Detroit Edison Company Mtg	4.875	08/15/87	8,600,000.00	8,610,010.40	4.85	*6,113,912
Detroit Edison Company Mtg	6.000	12/01/96	1,400,000.00	1,216,976.60	7.34	933,898
Detroit Edison Company Mtg	6.400	10/01/98	800,000.00	664,404.80	8.15	545,808
Detroit Edison Company Mtg	8.125	06/15/01	2,170,000.00	2,143,848.31	8.24	1,770,090
Detroit Edison Company Mtg	8.150	12/15/00	1,500,000.00	1,574,193.00	7.60	1,333,575
DPC Equipment Incorporated Note	8.750	10/15/96	14,326,728.33	14,326,728.33	8.75	*13,084,457
Duke Power Company Mtg	3.625	05/01/86	1,625,000.00	1,585,015.42	4.03	1,176,825
Duke Power Company Mtg	4.250	08/01/92	6,625,000.00	6,614,449.60	4.26	4,070,930
Duke Power Company Mtg	5.375	04/01/97	1,400,000.00	1,076,374.60	7.80	909,174
Duke Power Company Mtg	6.375	02/01/98	500,000.00	395,747.50	8.64	361,460
Duke Power Company Mtg	7.750	06/01/03	3,965,000.00	3,904,709.14	7.89	3,250,229
Duke Power Company Mtg	8.375	10/01/06	8,000,000.00	7,846,868.00	8.55	7,056,720
Duke Power Company Mtg	8.500	03/01/00	4,895,000.00	5,008,651.08	8.25	4,406,038
Duke Power Company Mtg	9.750	05/01/04	8,000,000.00	8,000,000.00	9.75	7,909,440
Duquesne Light Company Mtg	3.500	04/01/86	5,535,000.00	5,482,780.93	3.64	4,276,783
Duquesne Light Company Mtg	5.125	02/01/96	525,000.00	410,083.10	7.44	333,595
Duquesne Light Company Mtg	6.375	02/01/98	3,300,000.00	2,856,021.60	7.74	2,385,636
Duquesne Light Company Mtg	10.125	02/01/09	14,475,000.00	14,294,583.60	10.25	14,374,109
Enserch Corporation Deb	4.500	04/01/87	4,880,000.00	4,888,261.84	4.46	3,798,396
Enserch Corporation Deb	6.125	06/15/92	500,000.00	494,723.55	6.24	407,860
Enserch Corporation Deb	9.750	06/15/95	2,207,000.00	2,207,000.00	9.75	2,184,930
Florida Power and Light Company Mtg	4.500	08/01/92	1,050,000.00	945,841.80	5.54	664,608
Florida Power and Light Company Mtg	7.000	12/01/98	650,000.00	644,463.30	7.08	503,802
Florida Power and Light Company Mtg	9.375	06/01/06	6,000,000.00	6,441,282.00	8.66	5,704,380
Florida Power Corporation Mtg	6.125	08/01/97	1,589,000.00	1,589,098.28	6.09	1,111,433
Florida Power Corporation Mtg	7.250	11/01/02	6,213,000.00	6,171,904.88	7.30	4,861,796
Gas Service Company Mtg	4.900	07/01/81	990,000.00	990,000.00	4.90	*905,256
Gulf States Utilities Company Mtg	4.375	05/01/92	2,500,000.00	2,520,837.50	4.28	1,568,450
Gulf States Utilities Company Mtg	6.625	02/01/98	4,000,000.00	4,073,800.00	6.44	2,923,200
Hartford Electric Light Company Mtg	3.125	11/01/84	855,000.00	855,915.70	3.09	*631,460
Hartford Electric Light Company Mtg	4.375	10/01/88	2,070,000.00	2,062,827.45	4.42	1,432,233
Hartford Electric Light Company Mtg	4.500	12/01/94	2,000,000.00	1,993,166.00	4.53	*1,171,500
Hartford Electric Light Company Mtg	5.000	07/01/87	5,000,000.00	5,000,000.00	5.00	*3,703,200
Hartford Electric Light Company Mtg	5.625	04/01/97	530,000.00	527,399.82	5.66	343,917
Hawaiian Electric Company Mtg	5.750	03/01/97	2,000,000.00	2,000,000.00	5.75	1,332,160
Illinois Power Company Mtg	4.000	05/01/88	1,000,000.00	924,191.60	5.06	695,310
Illinois Power Company Mtg	4.250	01/01/93	1,000,000.00	986,062.00	4.38	622,010
Illinois Power Company Mtg	9.000	11/01/00	3,000,000.00	2,985,360.00	9.04	2,889,630
Iowa-Illinois Gas & Electric Company Deb	7.250	06/01/93	2,000,000.00	2,008,276.00	7.19	1,636,580
Jersey Central Power & Light Company Mtg	4.500	10/01/93	950,000.00	594,881.45	9.28	538,298
Jersey Central Power & Light Company Mtg	9.000	02/01/08	20,000,000.00	19,898,320.00	9.04	16,905,200
Jersey Central Power & Light Company Mtg	9.625	02/01/06	1,530,000.00	1,452,280.59	10.18	1,265,539
Jersey Central Power & Light Company Mtg	9.750	06/01/06	2,000,000.00	1,920,998.00	10.18	1,673,920
Kansas City Power and Light Company Mtg	3.250	02/15/85	1,000,000.00	1,005,657.00	3.11	735,050
Kansas City Power and Light Company Mtg	5.000	01/01/90	6,000,000.00	6,023,004.00	4.94	4,264,020
Kansas City Power and Light Company Mtg	8.125	12/01/06	2,716,000.00	2,323,361.46	9.63	2,346,759
Kentucky Utilities Company Mtg	7.375	12/01/02	3,898,000.00	3,911,144.84	7.34	3,149,467
Long Island Lighting Company Mtg	4.400	04/01/93	3,000,000.00	2,951,866.50	4.55	*1,775,400
Long Island Lighting Company Mtg	4.625	06/01/94	450,000.00	377,722.35	6.30	273,204
Louisville Gas and Electric Company Mtg	4.875	10/01/90	671,000.00	544,172.94	7.37	466,693
Louisville Gas and Electric Company Mtg	6.750	06/01/98	1,200,000.00	1,132,773.60	7.30	925,512
Minnesota Power & Light Company Mtg	9.250	04/01/08	7,050,000.00	7,050,000.00	9.25	6,601,479
Mississippi Power and Light Company Mtg	7.750	02/01/03	5,950,000.00	6,018,243.30	7.64	4,858,472
New York State Electric & Gas Corp Mtg	3.875	02/01/88	830,000.00	789,419.43	4.56	566,217
New York State Electric & Gas Corp Mtg	4.625	05/01/91	655,000.00	627,161.14	5.08	429,359
Niagara Mohawk Power Corporation Mtg	3.250	10/01/83	1,400,000.00	1,257,073.00	5.98	1,109,262
Niagara Mohawk Power Corporation Mtg	3.500	02/01/83	990,000.00	950,439.06	4.72	819,215
Niagara Mohawk Power Corporation Mtg	3.625	05/01/86	1,514,000.00	1,260,249.21	6.68	1,072,108
Niagara Mohawk Power Corporation Mtg	3.875	06/01/88	3,157,000.00	3,030,319.69	4.39	2,106,255
Niagara Mohawk Power Corporation Mtg	4.500	11/01/91	7,770,000.00	7,780,773.29	4.48	4,942,497
Niagara Mohawk Power Corporation Mtg	4.750	04/01/90	800,000.00	600,452.80	8.30	543,528
Niagara Mohawk Power Corporation Mtg	6.250	08/01/97	3,187,000.00	2,735,984.91	7.66	2,196,735
Niagara Mohawk Power Corporation Mtg	6.500	08/01/98	1,550,000.00	1,374,370.45	7.63	1,086,813
Niagara Mohawk Power Corporation Mtg	7.625	02/01/02	5,500,000.00	5,465,451.50	7.68	4,461,765
Niagara Mohawk Power Corporation Mtg	9.125	12/01/99	5,000,000.00	5,000,000.00	9.12	4,621,400
NICOR Inc Mtg	4.375	07/01/88	3,500,000.00	3,506,044.50	4.34	2,508,660
Northern Indiana Public Service Company Mtg	4.375	03/15/92	6,000,000.00	6,049,710.00	4.28	3,841,500
Northern Indiana Public Service Company Mtg	4.500	04/15/93	2,000,000.00	2,000,000.00	4.50	1,274,200
Northern Indiana Public Service Company Mtg	4.875	02/15/90	2,265,000.00	2,292,286.30	4.71	1,598,274
Northern Indiana Public Service Company Mtg	5.000	08/15/87	300,000.00	304,827.30	4.73	*227,370
Northern Indiana Public Service Company Mtg	6.375	09/01/97	6,672,000.00	6,211,707.32	7.02	4,952,492
Northern Indiana Public Service Company Mtg	6.875	10/01/98	1,000,000.00	944,461.00	7.41	777,110
Northern Indiana Public Service Company Mtg	7.500	04/01/02	9,850,000.00	9,765,313.86	7.58	8,050,887
Northern Indiana Public Service Company Mtg	8.125	07/15/03	2,250,000.00	2,241,384.75	8.16	2,001,600
Northern Indiana Public Service Company Mtg	8.500	11/01/07	11,000,000.00	11,000,000.00	8.50	9,913,420
Northern Indiana Public Service Company Mtg	9.875	06/15/04	20,000,000.00	20,000,000.00	9.87	*20,000,000

Figure 21
PERS Bond Portfolio (partial listing).

and public agencies to determine whether they own any of these particular bonds. By directly contacting state agencies, such as the California Department of Finance, it was learned that the University of California and various public employee pension funds own billions of dollars of corporate stocks and bonds. Each of these was approached and a copy of the schedule of investments owned was requested.

Figure 21 shows a reproduction of a portion of the investment portfolio of the Public Employees Retirement System (PERS) of the State of California. The Jersey Central holdings are clearly indicated. In this manner it was found that PERS owns \$20 million (40%) of the bond issue. Additional holdings by other public agencies were determined using the same approach.

Outcome. Anti-nuclear activists have demanded that public agencies refrain from purchasing any additional bonds intended to finance nuclear power plant construction. Since private financial interests regard such bonds as too risky, it is feasible to bring new nuclear power plant construction to a halt by stopping public funding. This research gave the activists a new strategy to oppose nuclear power: cutting off the funds.

5. Agricultural Holdings of University of California Regents.

The problem. Machinery to harvest tomatoes and other crops has been developed with public funds at the University of California. The new technology is displacing thousands of farmworkers. It's cost is so high that many small scale farm operators cannot afford to stay in business. Activists asked the University to redirect its work to help those who have been displaced. The highest authority within the University is the Board of Regents. They turned down this request for a change in research priorities. The question naturally arises: do University of California officials have any significant agricultural holdings that could yield a personal benefit from the decision to develop the machines?

The approach. A direct inquiry to the University's central administration in 1977 produced a copy of the latest listing of U.C. Regents as well as brief biographical data for each. This, by itself, is a valuable start. Edward W. Carter's data is

EDWARD WILLIAM CARTER

550 South Flower Street
Los Angeles, California 90071

AB, University of California, Los Angeles - 1932

MBA, Harvard University Graduate School of Business - 1937

LLD, Occidental College - 1962

Business

Carter Hawley Hale Stores, Inc., Chairman

American Telephone and Telegraph Company, Director

Del Monte Corporation, Director

House of Fraser, Ltd., Director

Pacific Mutual Life Insurance Company, Director

Southern California Edison Company, Director

Western Bancorporation and its subsidiary, United California Bank, Director

Cultural

Music Center Opera Association, Director

San Francisco Opera Association, Director

National Symphony, President National Board of Trustees

Southern California Symphony-Hollywood Bowl Association, Director

Los Angeles County Museum of Art, Trustee

Business Committee for the Arts, Member

Educational

University of California Board of Regents, Member

Occidental College, Trustee

The Brookings Institution, Trustee

Stanford Research Institute, Director

Overseers Visiting Committee, Harvard Graduate School of Business, Member

Visiting Committee, UCLA Graduate School of Management, Member

Harvard Board of Overseers' Committee on University Resources, Member

Rockefeller University Council, Member

Other Affiliations

The Business Council, Member

Committee for Economic Development, Trustee

The Conference Board, Member

Council on Foreign Relations, Member

The James Irvine Foundation, Director

The Santa Anita Foundation, Director

Figure 22

Biographical Data for University of California Regent, Edward W. Carter.

in Figure 22. Carter's affiliation with Del Monte Corporation is of great interest since Del Monte is one of the top-ranked tomato processing companies.

MANY CORPORATIONS AND INSTITUTIONS ISSUE ANNUAL REPORTS OR OTHER MATERIALS DESCRIBING THEIR ACTIVITIES. A DIRECT REQUEST FOR SUCH PUBLICATIONS CAN, IN MANY CASES, YIELD VALUABLE INFORMATION.

In the present case, a direct request to Del Monte produced copies of recent annual reports to stockholders and one of these included a special section lauding the new tomato harvest technology.

To find additional information, especially land holdings, is not as simple. Because land ownership recording is a county-based system, it would be necessary to look up the names of the U.C. officials in every one of the 3,000 counties in the United States. This would be costly and time-consuming so the search was limited to the 35 counties in California with significant cropland area.

When the names of the U.C. Regents were looked up in the alphabetical index at the County Assessor's office in Yolo County, California, it was found that the Chair of the Regents at that time, William K. Coblentz was listed. This is shown in Table I-6. The deed reference, Volume 1205, Page 322, tells how to find the grant deed in the office of the County Recorder (see Figure 23). The alphabetical index also gives reference to a Deed of Trust (similar to a mortgage). Coblentz signed as responsible party for a loan of \$450,000 (see Figure 24).

The property listed in connection with Coblentz is described in the portion of the deed called "Legal Description." It indicates that about 607 acres are held in the name of ASA Farms N.V., c/o William K. Coblentz. By visiting the property it was found that it was farmland. But who is Coblentz working for? What is ASA Farms N.V.?

Since ASA Farms is not the surname of an individual there must be a corporate document on file (if it is a corporation) or a Statement of Fictitious Business Name available (if it is a partnership or sole proprietorship). In the latter case the Statement of Fictitious Business Name would be on file in Yolo County, where the

Table I-6
 Alphabetical Index (partial listing), Yolo County Tax Assessor, 1977.

<u>Name</u>	<u>Assessor's Parcel Number</u>	<u>Deed Reference</u>
ASA Farms, N.V.,c/o William K. Coblentz	38-140-02	1205/322; 1205/328
ASA Farms, N.V.,c/o William K. Coblentz	38-140-06	1205/322; 1205/328

property is actually located, or in San Francisco County, where the company has its mailing address. Searches of the County Clerk file of Fictitious Business Name Statements in both counties yielded no result.

Another possibility, if ASA Farms is a partnership, is to search for a Statement of Partnership (as in the previous example involving Paloma Ranch). In this case as well the Yolo County Recorder's Grantor Index indicated no record of such a document for ASA Farms N.V. This suggests, but does not prove, that ASA Farms is a corporation.

A call was placed to the Secretary of State, Corporate Filing Division, located in Sacramento (site of the State Capitol). The name was found to be on file in that office. ASA Farms N.V. is a corporation. A formal request for all documents on that corporation yielded two documents. The most recent filing shows that ASA Farms is a "foreign" corporation in two senses (see Figure 25). First, it is required to file a Statement and Designation by Foreign Corporation because it is not incorporated under the laws of the State of California. Second, it is based in the Netherlands Antilles, on the island of Caracao.

It is important to note here that the term "Foreign Corporation" used by the Secretary of State refers generally to any corporation not incorporated (set-up) under the laws of California. The document says that ASA Farms N.V. was established under the laws of the Netherlands Antilles, a foreign nation located in the Caribbean Sea. It also says that Coblentz' law firm serves as its American agent. Another part of the document (not reproduced) says that Coblentz is the Managing Director-President of ASA Farms N.V.

Order No 3014
Escrow No.
Loan No.

13674

Vol. 1205 Page 322
OFFICIAL RECORDS
RECORDED AT REQUEST OF
FIRST AMERICAN
TITLE COMPANY
AUG 13 1976
At 5 Min. Post 10 O'clock A.M.
YOLO COUNTY, CALIFORNIA
Recorder
J. L. COFF

WHEN RECORDED MAIL TO
ASA FARMS N. Z.
c/o Mr. William K. Coblenz
333 California Street, Suite 3100
San Francisco, CA 94104

38-140-01 & 02

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MAIL TAX STATEMENTS TO
SAME AS ABOVE

DOCUMENTARY TRANSFER TAX \$.....
..... Computed on the consideration or value of property conveyed, OR
..... Computed on the consideration or value less liens or encumbrances
remaining at time of sale.
Signature of Declarant or Agent determining tax - Firm Name

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
CHESTER CHEW AND HELEN CHEW, husband and wife, KERN CHEW AND MARY Y. CHEW, husband
and wife

hereby GRANT(S) to

ASA FARMS N. V.,

the real property in the City of
County of

State of California, described as

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

HAWAII
STATE OF ~~CALIFORNIA~~
COUNTY OF Mauai

On this 6th day of August in the year one thousand nine
hundred and seventy-seven the undersigned
Notary Public, State of ~~California~~ Hawaii, commissioned and sworn, personally
appeared MARY Y. CHEW

known to me to be the person whose name is subscribed to the within
instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my
official seal in the Mauai County of Mauai the day and year
in this certificate first above written.

George M. Tanaka
Notary Public, State of ~~California~~ Hawaii
My commission expires 10-19-77

Cowdery's Form No. 32 Acknowledgment General (C. C. Sec. 1191a)

Printed 12/72

Dated July 30, 1976

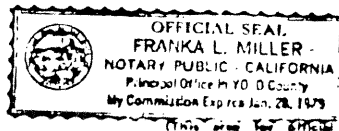
STATE OF CALIFORNIA
COUNTY OF
Sacramento

On August 10, 1976

before me, the undersigned, a Notary Public in and for said
State, personally appeared CHESTER CHEW,
HELEN CHEW and KERN CHEW

known to me to be the person whose name is subscribed to the within instrument and acknowledged that
they executed the same.
WITNESS my hand and official seal

Signature Frank L. Miller



(This area for official notarial seal)

1002 (12/66)

MAIL TAX STATEMENTS AS DIRECTED ABOVE

Vol 1205 Page 322

Figure 23
Grant Deed, ASA Farms NV, Yolo County Recorder.

13677

Order No 3014

Escrow or Loan No.

RECORDING REQUESTED BY

First American Title Company

When Recorded Mail To:

Chester Chew, et al.
6256 Fordham Way
Sacramento, CA 95831

Vol. 1205 Page 328
OFFICIAL RECORDS
RECORDED AT REQUEST OF
FIRST AMERICAN
TITLE COMPANY
AUG 13 1976
At 8 Min Post 10 O'Clock A M
YOLO COUNTY, CALIFORNIA.
Res order
\$11.00 C.C.P.D.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CORPORATION DEED OF TRUST WITH ASSIGNMENT OF RENTS

This DEED OF TRUST, made this fifth day of August, 1976, between
ASA FARMS N. V.

herein called TRUSTOR,
whose address is c/o William K. Coblenz, 555 California Street, Suite 3100, San Francisco, CA
(Number and Street) (City) (State)

FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and
CHESTER CHEW and HELEN CHEW, husband and wife as community property, and
KERN CHEW and MARY Y. CHEW, husband and wife as community property,

herein called BENEFICIARY,
WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the
County of Yolo State of California, described as

FOR DESCRIPTION OF REAL PROPERTY SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the Purpose of Securing (1) payment of the sum of \$ 450,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated by reference or contained herein (3) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the famous deed of trust recorded in Orange County August 17, 1964 and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1208	556	Kings	858	712	Placer	1078	379	Sutter	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	306	763
Amador	123	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1320	513	Los Angeles	1-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	328	Madara	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	232	291	Mann	1849	122	San Bernardino	6713	768	Sutter	655	583
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	282	Trinity	100	395
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tulahoma	177	160
Glenn	469	76	Mon	69	302	Santa Barbara	2065	881	Ventura	2407	237
Humboldt	801	63	Monterey	357	239	Santa Clara	6624	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	692
Inyo	163	672	Nevada	363	94	Shasta	800	633			
Kern	3736	690	Orange	7182	18	San Diego	SERIES 3	Book 1964, Page 109774			

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on the reverse side hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinafter set forth

STATE OF CALIFORNIA
COUNTY OF _____

Signature of Trustor

On _____ before me, the undersigned, a Notary Public in and for said State, personally appeared

ASA FARMS N. V.

known to me to be the _____ President, and known to me to be _____

BY:

William K. Coblenz, Managing Partner

Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal

Signature _____

Name (Typed or Printed) _____

(This area for official notarial seal)

1205 (11/68)

Figure 24
Corporation Deed of Trust, ASA Farms NV, Yolo County Recorder.

BOOK 1205 PAGE 328

STATEMENT AND DESIGNATION BY FOREIGN CORPORATION

ASA FARMS N.V.

(Name of Corporation)

a corporation organized and existing under the laws of Netherlands Antilles

(Name of place or state of incorporation)

_____, makes the following statements and designation:

1. The location and address of its main office is 10A Kerkstraat, Curacao,

Netherlands Antilles

(Insert complete address of principal business office wherever located)

2. The location and address of its principal office in the State of California is 555 California Street, Suite 3100, San Francisco, California 94104

(Insert complete address of principal business office in California)

3. The specific business it proposes to transact in the State of California is:

Ownership of agricultural rental property

4. (Use this paragraph if the process agent is a natural person.)

Michael L. Meyers, Esq.

_____, a natural person residing in the State of California, whose complete business residence address is

555 California Street, Suite 3100, San Francisco, California 94104

is designated as its agent upon whom process directed to the corporation may be served within the State of California in the manner provided by law.

NOTE: Either the business address or the residence address must be given. Indicate which by check mark in proper box.

Figure 25
Statement and Designation by Foreign Corporation, ASA Farms,
California Secretary of State.

Searches of County Assessor's records in other California counties turned up the fact that Regent William A. Wilson owns ranch property in Santa Barbara and Riverside counties, Regent John H. Lawrence owns directly or is trustee for farmlands in Merced County, and that additional U.C. officials have ties to substantial farming businesses.

The fact that Coblentz serves as an instrument of foreign corporations for the purchase of U.S. farmland raises another question. Are there other corporations, with different names, in which Coblentz plays the same role?

Local farmworkers reported that a foreign investor had bought up a large tract of land on Twitchell Island in Sacramento County. Perhaps the owner of the parcel might be another Coblentz corporation. Here the Assessor's Roll and Map Books are the most useful tools.

The large index map of the county has many important geographical features clearly indicated. After consulting this map (see Figure 26), Twitchell Island is found to be in the portion of the county designated as Map Book 157. This is the first portion of the Assessor's Parcel Number.

The next step involves locating Map Book 157 and examining the Index Page to determine the page number on which Twitchell Island properties are mapped. The Index Page is shown in Figure 27. The properties on Twitchell Island are numbered 13 and 14, meaning that they are mapped on pages 13 and 14. This is the second portion of the Assessor's Parcel Number. That is, the APN corresponding to the Twitchell Island properties will be 157-130-XX and 157-140-XX. We use XX to refer to the fact that we do not yet know the exact parcel number. However, using this approach the parcel numbers have been narrowed down from the roughly 250,000 in Sacramento County to fewer than 20. Figure 28 shows the parcels mapped on p. 14 of Map Book 157.

With the information collected in this manner the Assessor's Roll can be consulted. This is the listing in numerical APN order of all properties in the county showing the name of the owner. See Table I-7 for the ones on Twitchell

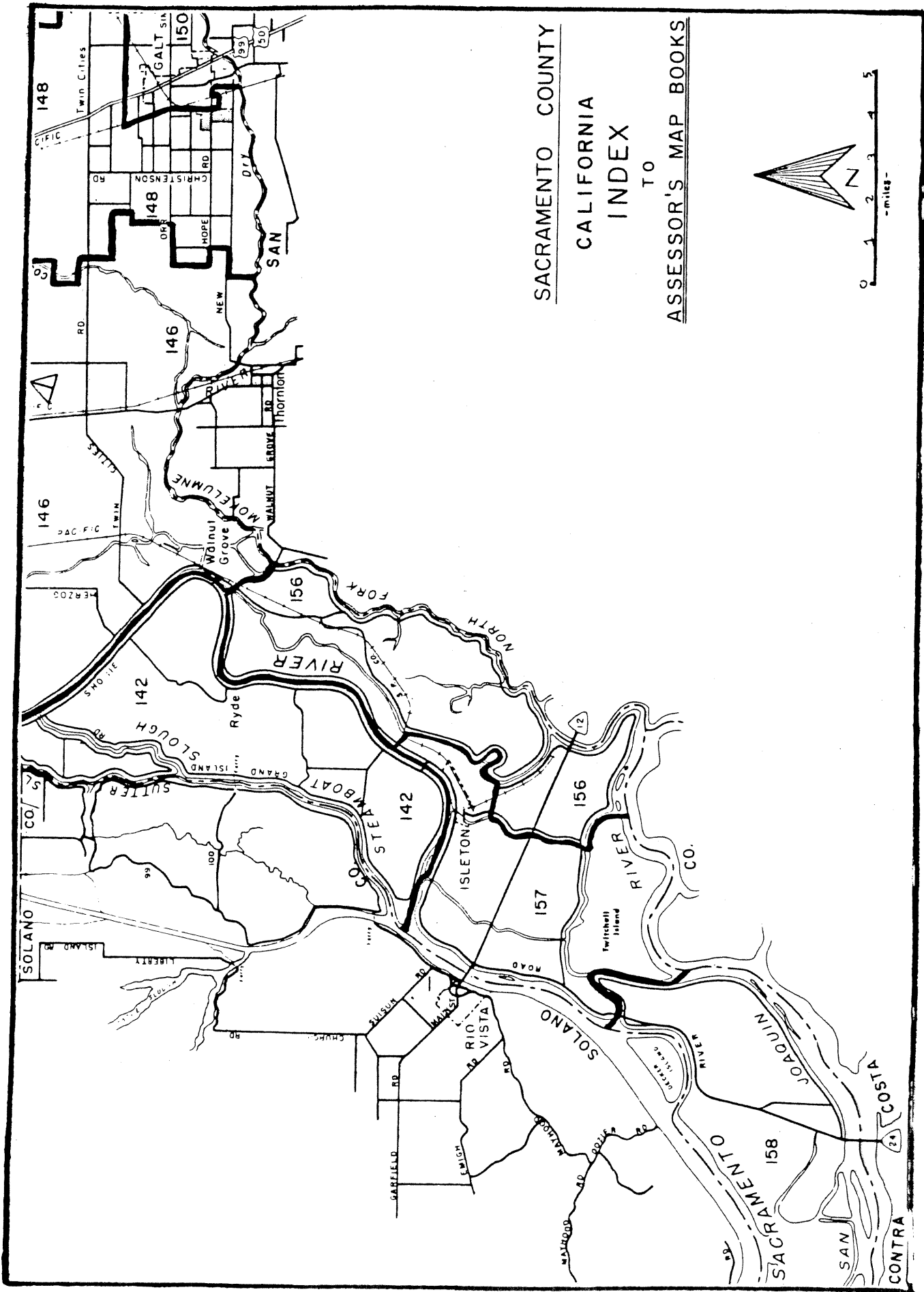


Figure 26
Assessor's Index to Map Books, Sacramento County Tax Assessor.

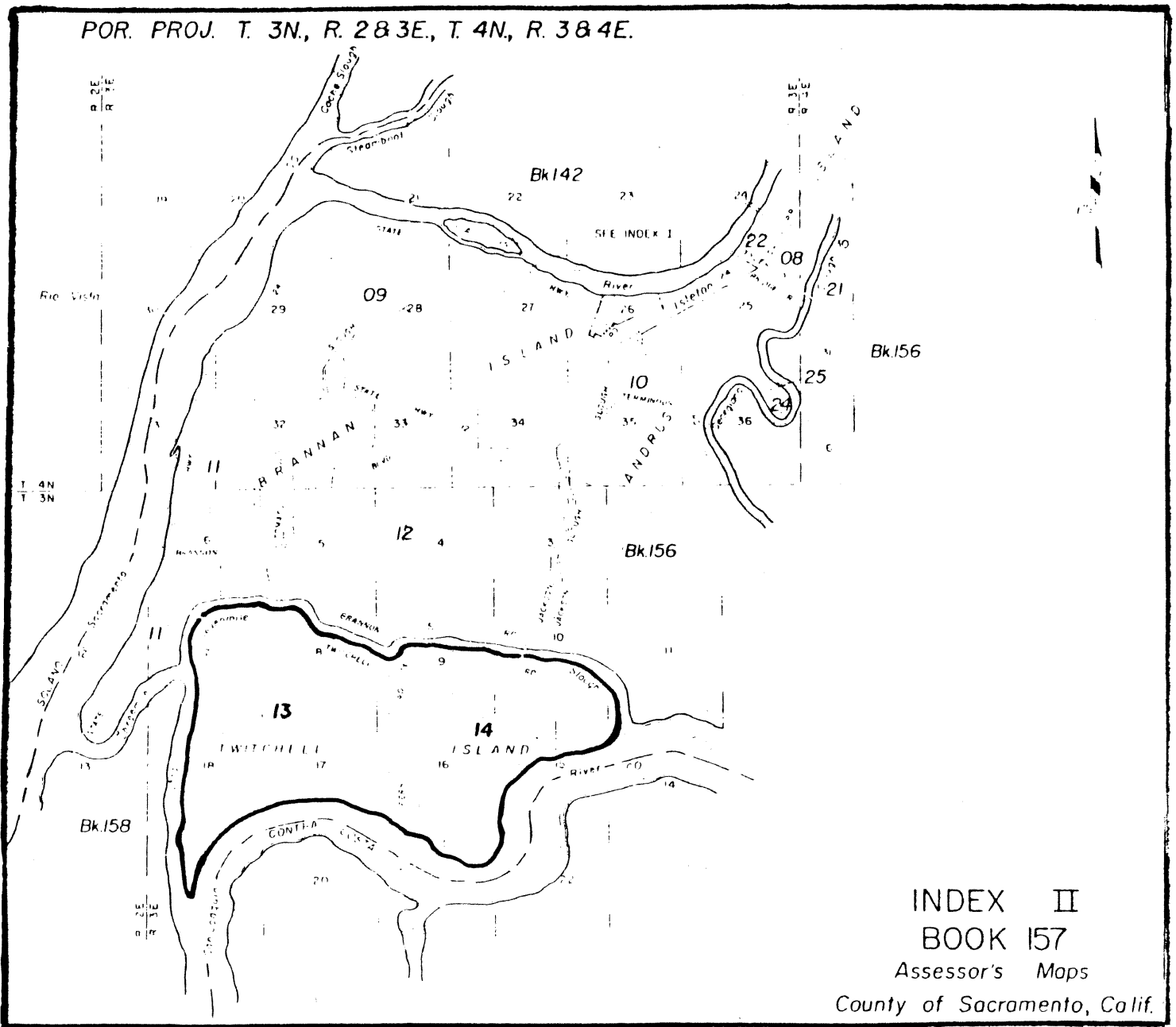


Figure 27
Index Page to Map Book 157, Sacramento County Tax Assessor.

Island. One of the landowners is called Ubachi N.V./Mattot N.V. This owner has the property 157-140-18, a parcel of approximately 1,066 acres (see Figure 28). The Secretary of State was contacted again, and it was found that both Ubachi N.V. and Mattot N.V. are corporations. Coblenz serves as Managing Director-President of both. A portion of the document filed for Mattot N.V. is shown in Figure 29. As in the case of ASA Farms N.V. the corporation is out of state and actually based in the Netherlands Antilles. It is another "foreign" corporation in both senses of the term.

Table I-7
Assessment Roll of Secured Property (partial listing), County of Sacramento.

<u>Parcel Number</u>			<u>Name of Property Owner</u>	<u>Land & Improvement</u>	
<u>Map Book</u>	<u>Page/Block</u>	<u>Parcel</u>		<u>Full Value</u>	<u>Assessed Value</u>
157	140	09	Biagi, George	133,124	32,591
157	140	10	Biagi, George	108,254	27,063
157	140	11	Biagi, George	132,288	30,312
157	140	15	Gustavson, F Roy/Mary	244,800	56,100
157	140	18	Mattot NV/Ubachi NV	1,110,861	254,337
157	140	19	State of California	Not assessed by Sacto. Co.	

Outcome. The information described above and the discovery of agricultural holdings and interests of other U.C. officials led to a lawsuit by farmworkers and a public interest group charging the named officials with conflict of interest, misuse of public funds, and violation of the Congressional legislation establishing the land grant college system. The suit says that the extensive agricultural holdings and interests of the officials has caused the University of California system to conduct research that benefits very large scale farm businesses and harms both farmworkers and many small scale family farmers. At this writing the lawsuit is entering trial.

SUMMARY

1. ALWAYS DOCUMENT YOUR INFORMATION BEFORE GOING PUBLIC.
2. FOR CORPORATIONS OR INSTITUTIONS TRY TO GET AN ANNUAL REPORT OR SIMILAR DOCUMENT.
3. DETERMINE IF THE BUSINESS OR INSTITUTION IS REGULATED BY A GOVERNMENT AGENCY AND REQUIRED TO FILE A FINANCIAL DISCLOSURE REPORT.
4. FOR CORPORATIONS, CHECK WITH THE SECRETARY OF STATE FOR DOCUMENTS FILED.
5. FOR PARTNERSHIPS, CHECK WITH THE COUNTY CLERK WHERE THE BUSINESS IS LOCATED FOR A STATEMENT OF FICTITIOUS BUSINESS NAME.
6. FOR REAL ESTATE PARTNERSHIPS, LOOK FOR A STATEMENT OF PARTNERSHIP FILED WITH THE COUNTY RECORDER AND INDEXED IN THE GRANTOR INDEX.
7. FOR REAL ESTATE, THE RECORDS OF THE COUNTY ASSESSOR ARE EASIEST TO USE.

STATEMENT AND DESIGNATION BY FOREIGN CORPORATION

MATTOT, N.V.

(Name of Corporation)

a corporation organized and existing under the laws of Netherlands Antilles

(Name of place or state of incorporation)

_____, makes the following statements and designation:

1. The location and address of its main office is 10A Kerkstraat, Curacao,
Netherlands Antilles

(Insert complete address of principal business office wherever located)

2. The location and address of its principal office in the State of California is 555 California
St., Suite 3100, San Francisco, California 94104

(Insert complete address of principal business office in California)

3. The specific business it proposes to transact in the State of California is:
Ownership of agricultural rental property

4. (Use this paragraph if the process agent is a natural person.)

Michael L. Meyers, Esq.

_____, a natural person residing in the State of California, whose complete business residence address is
555 California St., Suite 3100, San Francisco, California 94104

is designated as its agent upon whom process directed to the corporation may be served within the State of California in the manner provided by law.

NOTE: Either the business address or the residence address must be given. Indicate which by check mark in proper box.

Figure 29
Statement and Designation by Foreign Corporation, Mattot NV,
California Secretary of State.

Chapter 2

Disclosure Statements

Filed with Government Agencies

An enormous volume of data concerning individual businesses is regularly collected by a variety of governmental agencies. Much of this is available to the public. In many cases this data is collected because other businesses need to know who has legal responsibility for a particular enterprise. A number of government agencies regulate commercial activity. The agency involved may establish rates that businesses may charge for services, it may define the exact services that may be provided, or it may issue a license or permit.

In what follows we describe a variety of Federal, State and County agencies that collect reports from individual businesses. For each agency we indicate the type of business required to report and the nature of the reports on file. This enumeration of agencies includes only the most important ones so it is useful to know about reference sources that thoroughly describe all such agencies. Information useful to a particular group may be available through one of these other agencies.

Federal agencies are described in a book found in most public libraries:

United States Government Manual (annual)
published by General Services Administration

available from: Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

Many state governments publish a manual that serves a similar function on the state level. For example, California agencies are described in

California Blue Book
published by Department of General Services

available from: Legislative Bill Room
State Capitol, Room 1149
Sacramento, CA 95814

A. FEDERAL AGENCIES

1. Securities and Exchange Commission (SEC). The main office of the SEC handling public inquiries is

Securities and Exchange Commission
500 North Capitol St.
Washington, D.C. 20549

(202) 523-5506
Att: Public Reference

Branch offices of the SEC are located in nine U.S. cities. Those in the West are

California, Nevada, Arizona, Hawaii Region
10960 Wilshire Blvd.
Los Angeles, CA 90024
(213) 473-4511

Washington, Oregon Region
915 2nd Ave.
Seattle, WA 98174
(206) 442-7990

Copies of SEC filings may also be obtained from a private company that contracts with the SEC to make documents available to the public for a fee. The company will provide either microfiche copy or hard copy of any document filed within the past four years. In addition, the company has a 24 hour service providing hard copy at 30¢ per page plus postage (as of September, 1980).

Disclosure, Inc.
4824 Rugby Ave.
Washington, D.C. 20014
(301) 951-0106

The SEC was established as a result of the Securities Exchange Act of 1933 and regulates the sale of securities (stocks and bonds). The 1933 law is a disclosure law

requiring that adequate and accurate information regarding securities offered for sale be available to the general public. The presumption is that the public interest is best served when the information necessary for wise investment decisions is publicly available.

The SEC requires reports from three types of companies.

- a. Publicly held companies. These are corporations with publicly traded stocks (or bonds) and are defined as companies having at least 500 distinct stockholders as well as total company assets in excess of \$1,000,000.

Example. Occidental Petroleum Corporation is a publicly held corporation with stock traded on the New York Stock Exchange. Any person with sufficient funds may purchase Occidental stock. With 266,000 stockholders and 1978 assets of \$4.6 billion, Occidental must file detailed reports with the SEC.

Example. The Hearst Corporation is a major U.S. corporation active in newspaper and magazine publishing as well as cattle ranching and other activities. Though Hearst Corp. has assets of hundreds of millions of dollars and tens of thousands of employees it is not required to report to the SEC because it is "privately held." The corporation has less than 500 stockholders. Virtually all stock is owned by members of the Hearst family and no member of the general public could purchase its stock on the open market.

- b. Public Utility Holding Companies. These are corporations whose business purpose includes ownership of public utility operating companies.

Example. The Three Mile Island nuclear power facilities, focus of much national attention, are owned by Jersey Central Power & Light Co. and Metropolitan Edison Co. These companies are wholly owned subsidiaries of General Public Utilities Corporation. Because GPU is a corporation set up to own utility operating companies it must register with the SEC and file periodic reports about its activities.

- c. Registered Investment Companies. These are companies whose primary business is the ownership of securities of other companies.

Example. Source Capital Corp. is a registered investment company owning tens of

thousands of shares of stock in major western states corporations. Persons buying the stock of Source Capital are, in effect, buying a share in the performance of securities owned by the company. This company must file periodic reports with the Securities and Exchange Commission.

A type of business also required to report but not explicitly included above is those limited partnerships that are deemed to be issuing limited partnership units of ownership to the public at large. For more details on limited partnerships see Chapter 3.

The total number of businesses reporting to the SEC is approximately 10,000. While this represents a rather small fraction of the several million businesses active in the U.S., the companies that do actually report account for the overwhelming majority of U.S. business activity.

A complete listing of all companies required to report to the SEC is published each year and is a useful guide to just what information is on file. See

Directory of Companies Required to File Annual Reports with the SEC (annual)
U.S. Securities and Exchange Commission
Washington, D.C. 20549

Because only parent companies are normally required to file reports with the SEC, it is necessary to know whether or not a particular corporation is a subsidiary of another corporation. This is readily done for the larger corporations through a privately published reference. See

Directory of Corporate Affiliations (annual)
National Register Publishing Co.
5201 Old Orchard Rd.
Skokie, Illinois 60077

Example. The Love Canal dump site in New York was used by the Hooker Chemical Corp. as a burial ground for toxic chemicals. Despite the fact that this company is very large it's name is not listed in the current SEC Directory. This means that Hooker does not file disclosure reports with the SEC. However, a check of the listings of the Directory of Corporate Affiliations reveals that Hooker is a subsidiary of Occidental Petroleum Corp. Thus, information regarding Hooker's activities can be found with the parent company's reports.

Table II-1
Items Reported in Form 10-K, U.S. Securities and Exchange Commission.

1. Business. Describes principal products, services, markets served and methods of distribution. Also contains discussion of such factors as availability of raw materials used in the business and effect of compliance with ecological laws.
2. Summary of Operations. Summary of operations for each of the last five fiscal years.
3. Properties. Location and character of principal plants, mines and other important properties.
4. Parents and subsidiaries. List or diagram of all parents and subsidiaries and, for each named, the percentage of voting securities owned, or other basis of control.
5. Legal Proceedings. Disclosure of pending legal proceedings. If civil rights or ecological statutes are involved, details of proceedings must be disclosed.
- 6-8. Securities. Description of changes in outstanding securities (stocks and bonds issued by the reporting company).
9. Number of security holders. Reports number of stock and bond owners as of end of fiscal year.
10. Vote of Security Holders. Reports on convening of stockholders meeting and of matters to be voted upon.
11. Executive Officers. Lists all executive officers, nature of family relationships among them (if any), previous positions and offices held.
12. Indemnification of Directors and Officers. Information regarding corporate protection, such as liability insurance, provided for persons who may require such while carrying out duties.
13. Financial Statements and Exhibits filed. Audited financial information for the fiscal year and list of supporting exhibits filed with Form 10-K (see Schedules listed in Appendix D of this guidebook).
14. Principal Security Holders and Security Holdings of Management. Identifies owners of 10 percent or more of any class of securities and total of securities held by directors and officers.
15. Directors. Name, office, term of office and biographical material.
16. Remuneration of Directors and Officers. Lists each director and three highest paid officers with aggregate annual remuneration in excess of \$40,000.
17. Options. Discloses options offered to directors and officers for purchase of company securities (usually at fixed prices below market).
18. Interest of Management and Others in Certain Transactions. Disclosure of company transactions in which directors or officers have personal financial interest. Includes such matters as unusual loans to management and similar transactions.

THE MOST IMPORTANT DOCUMENT OBTAINABLE FROM THE SEC IS THE ANNUAL REPORT, FORM 10-K.
NO OTHER SOURCE OF CORPORATE INFORMATION PROVIDES MORE COMPREHENSIVE OR CURRENT
INFORMATION.

For convenience we identify the items reported in Form 10-K and describe each in Table II-1. Appendix D contains a listing of all financial schedules included with the Form 10-K annual report.

To show the kinds of information in a Form 10-K report Figures 30, 31 and 32 are reproductions of 3 pages from the 1978 report filed by Tenneco, Inc. The entire report comprises 120 pages. Figure 31 shows a portion of just one page of the eleven full pages that list all significant subsidiaries of Tenneco, Inc. Figure 32 shows the description of the company's agricultural activities.

While the Form 10-K annual report is the most valuable type of document on file with the SEC there are a number of others that can be useful. These are summarized in Table II-2. In Chapter 1 we described how a Form S-7 Registration Statement disclosed information regarding the use of funds generated by the sale of bonds by a utility operating company. The Form S-7 is just one of more than a dozen such special SEC reporting forms in regular use.

2. Federal Energy Regulatory Commission. The Commission office that handles disclosure reports filed by individual companies is

Federal Energy Regulatory Commission
825 North Capitol St., Room 1000
Washington, D.C. 20426

(202) 357-8118
Att: Tina Brown

This agency, formerly called the Federal Power Commission, was established for the purpose of regulating interstate aspects of electric and gas utility companies. Annual reports are required of all such companies operating in the U.S. The report includes extensive financial and operating data, identification of and compensation paid to officers and directors, and a listing of the ten largest stockholders in the company. There are two types of reports available:

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1978

Commission File No. 1-4101

TENNECO INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

Tenneco Building, Houston, Texas
(Address of principal executive offices)

74-1056569
(I.R.S. Employer
Identification No.)

77002
(Zip Code)

Registrant's telephone number, including area code: (713) 757-2131

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class in Order of Preferences</u>	<u>Name of Each Exchange on Which Registered</u>
First Mortgage Pipe Line Bonds, 8¼% Series due 1991	New York Stock Exchange
Ten Year 6% Debentures due 1979	New York Stock Exchange
9% Debentures due 1994	New York Stock Exchange
9⅞% Debentures due 2000	New York Stock Exchange
8⅜% Debentures due 2002	New York Stock Exchange
8⅞% Debentures due 2003	New York Stock Exchange
Preferred Stock, par value \$100 per share: issued in 13 series with cumulative dividends ranging from 4.60% to 8.52%	Philadelphia Stock Exchange
Second Preferred Stock, par value \$100 per Share: issued in 5 series with cumulative dividends ranging from 4.50% to 5.36%; 1 series with conversion provisions	Philadelphia Stock Exchange
Preference Stock, without par value: issued in 2 series; \$5.50 cumulative convertible series, \$25 stated value \$7.40 cumulative series	New York and Pacific Stock Exchanges New York Stock Exchange
Common Stock; par value \$5 per share	New York, Midwest, Pacific, Toronto, London, Paris, Frankfurt, Dusseldorf, Basel, Geneva and Zurich Stock Exchanges
Warrants to purchase Common Stock, exercisable through April 1, 1979	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the close of the period covered by this report.

Common Stock, par value \$5 per share 98,612,441 Shares

Figure 30

Form 10-K, Tenneco, Inc., Title Page, U.S. Securities and Exchange Commission.

Subsidiaries of Tenneco Inc. (continued)

	Percentage of Voting Securities Owned
<i>Subsidiaries of Tenneco Corporation (continued)</i>	
Kern County Land Company (Delaware)	100
Boquillas Cattle Company (Arizona)	100
J. I. Case Company (Delaware)	100
Case Power and Equipment Limited (Wisconsin)	100
David Brown Tractors (Canada), Ltd. (Canada)	100
Davis Manufacturing Company (Delaware)	100
Drott Manufacturing Company (Delaware)	100
Drott Manufacturing Corporation (Wisconsin)	100
Travelift and Engineering Corporation (Wisconsin)	100
Grand Detour Plow Company (Wisconsin)	100
Kase, S.A. De C.V. (Mexico)	100
J. I. Case Argentina, S.A. (Argentina)	100
J. I. Case Mfg. Company, Inc. (Wyoming)	100
J. I. Case Credit Corporation (Wisconsin)	100(3)
J. I. Case International, S.A. (Venezuela)	100
J. I. Case Threshing Machine Company (Wisconsin)	100
J. I. Case International Sales Corporation (Delaware)	100
Lyon County Implement Company (Minnesota)	100
Pryor Foundry, Inc. (Oklahoma)	100
The Case Company (Wisconsin)	100
Vibromax Manufacturing Company (Delaware)	100
Pueblo Del Sol Water Company (Arizona)	100
Tenneco Canada Corp. (Canada)	29
Tenneco West, Inc. (Delaware)	100
Ag-Ventures, Inc. (California)	100
California Almond Orchards, Inc. (California)	100
California Harvest Shops, Incorporated (California)	100
Cal-Date Company (California)	100
Grandma Mac's Orchard (California)	100
Heggblade-Marguleas-Tenneco, Inc. (California)	100
H-M-T Inc. (California)	100
Kern Island Water Company (California)	100
Kern River Canal and Irrigating Company (California)	99
Tenneco Farming Company (California)	100
Tenneco Property Development Corporation (California)	100
Marlin Drilling Co., Inc. (Delaware)	100
Bluefin Supply Company (Delaware)	100
Marlin Ethiopia, Inc. (Delaware)	100
Marlin International Drilling Company (Delaware)	100
Marlin-West Drilling Co., Inc. (Delaware)	100
Mitchell Supreme Fuel Company (Delaware)	100
Newport News Shipbuilding and Dry Dock Company (Virginia)	100
Greenville Metal Manufacturing Inc. (Virginia)	100
James River Oyster Corporation (Virginia)	100
Newport News Industrial Corporation (Virginia)	100
Newport News Industrial Corporation of Ohio (Ohio)	100
Newport News Offshore Systems Corporation (Virginia)	100

Figure 31

Form 10-K, Tenneco, Inc., p.34, U.S. Securities and Exchange Commission.

motive products, and point of purchase displays. Its folding cartons are used in the packaging of soap and detergents, food products and a wide range of other consumer goods. Molded pulp products are used for packaging of apples, other fruits and eggs. During the years 1977 and 1978 approximately 51% and 52%, respectively, of Packaging's sales were derived from corrugated shipping containers and containerboard products; 15% and 16%, respectively, from folding cartons; 25% and 22%, respectively, from paperboard mill products; and the balance from molded pulp products, paper stock, lumber and plywood.

Packaging has 30 shipping container plants, 7 carton plants and 13 paperboard machines at 7 mill locations. It also has 2 molded pulp products plants, 6 lumber plants, 1 plywood plant and 8 paper stock plants. Packaging's plants are located primarily in the Middle West and on the East Coast.

The principal raw materials used by Packaging in its paperboard mill operations are virgin pulp and reclaimed paper stock. Packaging obtains such raw materials from independent logging contractors, from timberlands owned or controlled by it, from operation of its reclaimed paper stock collecting and processing plants and from other sources.

At December 31, 1978, Packaging owned approximately 419,000 acres of timberland in Alabama, Florida, Michigan, Mississippi and Tennessee and leased, managed or had cutting rights on an additional 265,000 acres of timberland in those States. A portion of the virgin pulp used in Packaging's paperboard mills and of the timber used in Packaging's lumber and plywood operations is obtained from these lands. During the year 1978, approximately 20% of Packaging's virgin pulp was obtained from timberlands owned by it.

Packaging faces intense competition from many other manufacturers and alternative products others.

Reference is made to Item 5 herein for information with respect to pending legal proceedings involving Packaging.

AGRICULTURE, LAND MANAGEMENT

Tenneco is engaged in the growing and marketing of agricultural products and in the development and sale of farming, commercial, industrial, residential and recreational properties in Arizona, California, Louisiana and Texas.

The following table summarizes at December 31, 1978, the land holdings of Tenneco West, Inc. ("Tenneco West"), a subsidiary of the Company, devoted primarily to agriculture:

	<u>Owned Acres</u>	<u>Leased Acres</u>	<u>Total Acres</u>
California	258,026	4,242	262,268
Arizona	601,507	265,211	866,718
Kansas	626	-	626
Total	<u>860,159</u>	<u>269,453</u>	<u>1,129,612</u>

At December 31, 1978, Tenneco West had approximately 105,376 net acres devoted to irrigated farmlands. The products grown on such land include citrus and deciduous fruits, grapes and field and row crops. Of this acreage, approximately 25,000 acres were farmed by Tenneco West and the remainder was farmed by independent farmers under leases from Tenneco West. The balance of Tenneco West's acreage in Arizona and California consists primarily of grazing land devoted to cattle ranching.

Tenneco West markets perishable fruits and vegetables grown by it and numerous other independent farmers in California, Arizona, Washington and Mexico and grows, purchases, processes and sells nut crops (primarily almonds), dates and raisins for consumer use and in bulk for commercial use.

Figure 32

Table II-2
Description of Forms Filed With U.S. Securities and Exchange Commission.

10-K	An annual report that is the most complete source of information about a corporation. (See Table II-1).
10-Q	Financial report containing interim information and financial statements as in 10-K, except on quarterly basis. Useful in obtaining a continuing picture of financial matters. Filed 45 days after close of fiscal quarter.
8-K	Unscheduled report of significant events that materially affect the company's business. Report is filed 15 days after a reportable event.
Proxy Statement	Official notifications of company's shareholders meeting. Only document that lists individual stockholdings of company's directors. Also lists all matters to be voted on at shareholders meeting.
Registration Statement	Forms S-1, S-2, S-7, S-8, S-16 are used most frequently. Required for registration of securities to be offered to the general public. Most often lists information found in Form 10-K but also discloses information regarding how funds obtained by sale of securities will be used by the company.
Prospectus	Actual document that must be made available to potential investors before the sale of the security is initiated.
12-K	Filed by companies that are regulated by the Federal Energy Regulatory Commission, Interstate Commerce Commission or Federal Communications Commission. Similar to Form 10-K.
Form 3 Ownership Report	Discloses stockholdings of persons elected as directors, appointed as officers, or upon becoming owners of 10% or more of stock in a corporation.
Form 4 Ownership Report	Discloses all changes in stock ownership, whether sale, purchase, gift or other process, of all directors, officers and owners of 10% or more of stock in the corporation.
Form U5S	Annual disclosure report filed by public utility holding companies. Includes financial and other data and lists of all owners of 1% or more of stock.
Form 13 f	Disclosure report of securities owned by institutional investors such as insurance companies and bank trust departments. Each such investor files quarterly and annual reports listing all stocks owned.

Annual Report, Form 1. Electric Utility Operating Company

Annual Report, Form 2. Gas Utility Operating Company

Notice that only operating companies report to the FERC. If there is a parent holding company, it must report to the SEC.

Example. The operating company Jersey Central Power & Light Co. reports to the FERC. Jersey Central's parent, General Public Utilities Corp., a holding company reports to the SEC.

It is always a good idea to determine whether a utility company of interest is an operating company or a holding company.

3. Federal Communications Commission. The office to contact regarding materials available through the FCC is

Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

(202) 632-7260
Att: Office of Public Affairs

The FCC has responsibility for regulation of certain activities of telephone and telegraph companies, and of broadcast companies (TV as well as radio). Because broadcast companies are required to obtain and periodically renew a broadcast license from the FCC, there are reports that must be filed as a part of the licensing process. Broadcast companies are also required to file annual statements showing all owners of 1% or more of the outstanding stock of the company, and to update these reports on a monthly basis if any changes in ownership have occurred. If the broadcast company is a subsidiary of another company then the parent company files the ownership reports. These reports must be filed even if the company is "privately held" and not subject to SEC regulation. Thus, it is possible to determine the real owners of broadcast outlets in any community.

4. Interstate Commerce Commission. The office handling inquiries from the public regarding ICC matters is

Interstate Commerce Commission
Bureau of Accounts, Section of Accounting and Reporting
Room 6124
Twelfth Street and Constitution Ave., NW
Washington, D.C. 20423

(202) 275-7343
Att: Public Reference Room

The ICC has jurisdiction over interstate common carriers, businesses that transport people or goods across state lines (except air lines). There are three types of reports (filed annually)

Form M-1. Interstate motor carriers (trucking companies) report financial and operating data, list officers and directors, and identify the ten largest stockholders.

Form P. Interstate gas pipe line companies report financial and operating data, list officers and directors, and identify the thirty largest stockholders.

Form R-1. Railroad operating companies report financial and operating data, list officers and directors and identify thirty largest stockholders.

B. STATE AGENCIES

1. Secretary of State. Normally located in the state capitol, this agency will provide certain information directly over the phone. In California

Secretary of State
1230 J Street
Sacramento, CA 95814

Corporate filing division
(916) 445-2900

Campaign disclosure & lobbyist registration
(916) 322-4880

Commercial filing division
(916) 445-1677

This agency has responsibility for keeping certain records of all corporations operating within the state. In certain states this corporate record keeping is

also handled by the Department of Corporations (sometimes called Corporations Commission). In California, the Secretary of State is also the chief elections officer and receives disclosure reports from political campaigns and lobbyists.

The corporate record keeping by this agency includes the following:

a. a record of the corporation's name

Only one corporation may operate in a given state using a particular name. The records of the Secretary of State insures that no other corporation may use a name already "reserved" previously by another corporation.

b. a record of the corporation mailing address

This enables anyone to establish contact with the corporation.

c. a record of the agent for service of process (for filing lawsuits, etc.)

This makes it possible to contact out of state corporations and settle disputes through established legal procedures.

d. a record of corporate status

This is intended to be a record of whether the corporation has paid required taxes and whether the corporation is still active. An inactive corporation may be required to surrender use of its name.

e. a record of the state or country of incorporation

A corporation may form in one state but conduct business in other states. Some records are kept only in the state of incorporation and must be obtained directly from the Secretary of State (or Department of Corporations) of that state. The most complete records regarding a given corporation are found in the state of incorporation (Department of Corporations or Secretary of State).

f. statement of officers and directors

This periodic report identifies names and addresses of principal officers and directors (usually at least three directors). In addition, the address of the main corporate office must be given along with the mailing address. Finally, in some states, a one phrase statement identifying the main line of business is also required.

g. articles of incorporation

These are legal documents that must be filed when the corporation is formed. They are filed in the state of incorporation and include a statement of purpose, names of incorporators (persons forming the corporation), location of main office, and some other information (see also p. 14).

2. Department of Corporations. The major office of this agency will normally be located in the city that serves as financial capitol of the state. If this is not the state capitol then there will normally be another office there as well. In California

Department of Corporations
1025 P Street
Sacramento, CA 95814
(916) 445-7205

Department of Corporations
600 S. Commonwealth Ave.
Los Angeles, CA 90005
(213) 736-2741

Department of Corporations
1350 Front Street
San Diego, CA 92101
(714) 236-7341

Department of Corporations
600 California Street
San Francisco, CA 94108
(415) 557-3787

Although the exact agency name used varies from state to state (Corporations Commission is the name in some states), this part of state government regulates corporations in much the same way that the SEC does at the federal level. In particular, the issuance of securities (stocks and bonds) to citizens of the state is reviewed by this agency. Unlike the SEC, it regulates privately held companies as well as those with more than five hundred shareholders. On the other hand, this state agency does not require annual disclosure reports from all regulated companies. Some information is available for nearly every corporation that has issued stock subsequent to its formation, even if the stock is not publicly traded.

Example. The privately owned J.G. Boswell Co. (of California) issued a small number of shares of stock to a few key employees. Because this constitutes an issuance of securities to persons in California Boswell had to submit a report to the California Department of Corporations. The report included detailed financial and operating data as well as other key information (such as the fact that a member of the Chandler family, of the Los Angeles Times, was the largest individual stockholder). But the report did not disclose total acreage owned or the fact that Boswell is the largest farm operator in California.

Disclosure requirements vary considerably from state to state. In California, a Notice of Issuance must be filed whenever stock is issued to a person (a "person"

is defined to include individuals, other corporations, or partnerships). If the stock is sold privately, without opening it up to the general public, then, under California law, the identity of the purchasers must be disclosed. This disclosure makes it possible to identify ownership of many California corporations not subject to any other regulation.

Example. In 1974 a strike by farmworkers in California's tomato industry led to picketing of the operations of Andco Farms, Inc. This company was described in the local press as the world's largest tomato farm. Some workers and community members heard a rumor that either Coca Cola Co. or Pepsi Cola Co. were investors holding a significant portion of Andco Farms stock. Upon checking with the California Department of Corporations it was determined that a Notice of Issuance of Securities was filed when the company was formed. The stock was issued to Henry H. Stone and John B. Anderson. Thus, there is no evidence of the involvement of either soft drink company.

3. Public Utilities Commission. Reports filed with this state agency by various regulated public utilities are available at the two main offices of the PUC

Public Utilities Commission
Financial Reports Section
350 McAllister St.
San Francisco, CA 94102
(415) 557-2485

Public Utilities Commission
General Information
107 S. Broadway, Room 5109
Los Angeles, CA 90012
(213) 620-2564

This type of agency regulates intra-state activities of utility companies (including common carriers). Some states do not have an agency of this type. Setting of utility rates is among the most important of this agency's functions. Annual reports by regulated companies are also required. There is some duplication with the reports filed with Federal agencies that regulate utilities with interstate business. On the other hand, detailed reports are available from state PUC's that refer to companies with only intra-state operations such as local trucking companies or commuter air lines.

4. State Department of Insurance. The two main offices in California are

California Department of Insurance
100 Van Ness Ave.
San Francisco, CA 94102
(415) 557-1126

California Department of Insurance
600 S. Commonwealth Ave.
Los Angeles, CA 90005
(213) 736-2572

Nearly every state requires insurance companies to be licensed. To get their license these companies must submit an annual financial report to the State Department of Insurance (the exact agency name varies from state to state). The report tells about

the company's operations and lists its assets (stocks, bonds and real estate). See Chapter 1, page 32 (Table I-5) for a reproduction of a portion of such a report.

5. Department of Real Estate. This agency licenses real estate sales personnel and real estate brokers. In California, the main office to contact is

California Department of Real Estate
1719 24th Street
Sacramento, CA 95816

License information
(916) 445-5741

Subdivisions
(916) 322-2505

The general public can find out information about real estate businesses including address, fictitious business name (if any), license status, and any actions taken by the department to deny, revoke, or suspend a license.

In some states feverish speculative activity in real estate has led to a requirement that sub-divisions of land be reported. California requires disclosure of sub-division location, management restrictions concerning land use, and conditions of sale. By knowing the Assessor's Parcel Number of the property, or sub-division name and number, one can learn a great deal about the development of lands in and adjacent to a given community.

C. LOCAL AGENCIES

1. County Recorder. This county officer, normally located at the county seat of government, is responsible for maintaining the official public records of the county. These include deeds (transfer of title to property), trust deeds (mortgages), statements of partnership (for partnerships owning real estate in the county), certificates of limited partnership (for limited partnerships doing business in the county), court approved actions relating to real property (sale, lease or purchase by estates), and similar matters. In addition, records of birth, death and marriage are also kept by this official. Certain states also provide that official records

include chattel mortgage documents (loans using personal property as collateral). Within California these latter documents are currently termed Uniform Commercial Code (UCC) Financing Statements and include identification of both lender and debtor as well as detailed descriptions of the property used as collateral.

When the Recorder receives a document for recording it is stamped with the date, hour and minute received, and is assigned a sequential Document Number. A fee book shows the fee paid for each recorded document. This system makes it possible to use recorded documents to prove prior claim in any dispute regarding title to property. In other words, claims to property are established on the basis of the precise time order in which the documents are recorded.

The indexing system in widespread use for identifying and locating a particular document is a double entry system designed to serve the needs of those with fragmentary information. For each calendar year the Recorder maintains separate listings of grantors and grantees (usually in alphabetical order, sometimes in approximate alphabetical order). These categories of parties to transactions are defined as

grantor: sellers of property, defendants, lessors of property, partnerships formed, debtor (trustor), etc.;

grantee: buyers of property, plaintiffs, lessee of property, lender (beneficiary), etc.

By checking the index for the years in which a particular transaction probably occurred one can locate the proper document reference. The most important reference number is the Volume and Page number. This is described more fully in Chapter 1 (see case study 2, especially Tables I-3 and I-4 on p. 27).

2. County Clerk. This county officer is the main official responsible for maintaining records of the courts, the actions of the county governing body (usually called the Board of Supervisors), all county government contracts, and other records. These are best described according to general category.

Corporations. The County Clerk keeps one copy of the Articles of Incorporation for all corporations claiming that county as the location of the principal place of business.

Fictitious Business Names. Termed Assumed Business Names in some states; also known as dba, or doing business as. The County Clerk keeps one copy of, and maintains an alphabetical index of all fictitious business names for all businesses required to file that claim the county to be the principal place of business. The Clerk is also required to maintain an alphabetical index of associates (partners or others using fictitious names). Some larger counties do not keep this latter index owing to the very large expense involved.

Court Records. The County Clerk maintains files of all official court records for local courts (not Federal Courts or Courts of Appeal). These records include probate records having to do with settling of estates and detail property distributed to descendants. Interests in real estate or other types of property can sometimes be determined from probate records of wealthy individuals.

In some states, the County Clerk also has supervisory responsibility for elections and will have results from local elections as well as statements of economic interest filed by county officials and campaign financial disclosure statements (see Chap. 6).

Each of the documents described above is indexed to make possible rapid access. Normally, a numerical system based on order received is used. Thus, it is important to locate the "file number" for the document of interest. Copies of documents can be obtained by mail (typically, four to ten days lead time is needed). Be sure to get a quotation of costs before actually ordering copies of documents if you're dealing with court records! Articles of Incorporation are usually less than twenty pages while Fictitious Business Name statements are usually less than three pages.

3. County Tax Assessor. This county official is responsible for assessing property for tax purposes on all real and personal property in the county. For that reason, the County Assessor has the most useable records of property owners.

The listing of all real estate parcels in the county is termed the Assessor's Roll

of Secured Property. The term "secured" refers to the fact that land or buildings are relatively secure and difficult to move whereas personal property, such as commodities or household goods, can be readily removed from the site. The Assessor's Roll is organized according to a numerical indexing system called the Assessor's Parcel Number or APN. See Chapter 1, case study 1, for further details regarding this system. Under the APN system every parcel in the county is assigned an APN based on its geographical location. This is the key to using the Assessor's records.

The Tax Assessor also maintains an Alphabetical Index of the owners of record (the person or company paying taxes on the property). Finally, in many counties, particularly ones with substantial urban areas, the Assessor will have another index: the Situs Index. This is a listing of urban properties in street number order and lists the APN for each. It is thus possible to identify the owner of an urban parcel if the street address is known.

It is important to realize that the Assessor's records do not constitute proof of ownership. The legal document proving ownership is the grant deed. Frequently, the Assessor's Roll will include a deed reference to locate the most recently filed deed involving the property. This makes it possible to quickly locate a deed (in the County Recorder's office) without having to go through a lengthy search of the Recorder's Grantor/Grantee index.

Assessor's records are up-dated at least once a year, and more frequently in counties with a large volume of real estate transactions. Be sure to check that you're aware of the date to which the records refer.

4. City Clerk. This agency licenses business establishments within city boundaries and also keeps records pertaining to city elections such as financial disclosure statements and listings of campaign contributors. These records can be used to determine the name and address of the applicant/owner of a particular business. Elections records are important for persons active in city electoral politics.

Chapter 3

How to Investigate Corporations, Partnerships and Sole Proprietorships

There are three main types of business organizations active in the United States. These are corporations, partnerships and sole proprietorships. They differ in a number of important respects: tax treatment, liability (legal responsibility for debts and actions), duration, and in the relation of managers to owners. Table III-1 is a summary of these features.

1. Corporations. This type of business differs in important ways from partnerships and sole proprietorships. First, the business must incorporate by filing legal documents called Articles of Incorporation with the Secretary of State (or other appropriate official).

Only one corporation may use a given name in a particular state. This means that a corporation name is a unique feature. Over 1,000,000 corporations are on record in the state of California so that the exact corporate name is the single most important fact that is useful in tracking down information about the business.

Example. A search of corporate record keeping offices for William Mouren Farming, Inc., yielded no results. By checking more carefully it was discovered that the precise name was William J. Mouren Farming, Inc. Under that name all of the desired information was found. The absence of the middle initial was an obstacle to finding the required documents!

A corporation may exist in perpetuity (forever) and may be terminated only by proper legal action by duly constituted officers of the corporation. A for-profit

Table III-1
Comparison of Main Features of Sole Proprietorships,
Partnerships and Corporations.

	<i>Sole Proprietor</i>	<i>Partnership</i>	<i>Corporation</i>
Nature of entity	Single individual	Association of two or more individuals	Legal entity separate from shareholders
Life of business	Terminates on death	Agreed term; but terminates at death of a partner	Perpetual or fixed term of years
Liability	Personally liable	Each partner liable for all partnership obligations	Shareholders not liable for corporate obligations
Source of capital	Personal funds or loans	Partners' contributions or loans	Contribution of shareholders for stock; sale of stock; bonds and other loans
Management decisions	Proprietor	Agreement of partners	Shareholders elect directors who manage business
Limits on business activity	Proprietor's discretion	Partnership agreement	Articles of incorporation and state corporation law
Transfer of interest	Terminates proprietorship	Dissolves partnership; but new partnership may be formed	Transfer of stock does not affect continuity of business – may be transferred to anyone if no restrictions
Effect of death	Liquidation	Liquidation	No effect on corporation. Stock passes by will or inheritance
Income taxes	Income taxed to individual – 50% deduction for long-term capital gains	Partnership pays no tax. Each partner reports share of income or loss, capital gains and losses as an individual.	Corporation pays tax on net income before distribution of dividends. No 50% deduction for capital gains.

Source: "Business Organization for Modern Farms", Cooperative Extension, University of California Publication AXT-49 Rev., p.8.

corporation is owned by stockholders who elect a board of directors. Unlike a political democracy in which each adult has one vote, corporate "democracy" operates with the number of votes in proportion to the amount of stock owned. Thus, the persons owning the largest blocks of stock have the largest voice in selecting the directors and running the corporation.

The board of directors hires the top management so that ownership and management are formally separate. While owners (stockholders) may choose to run the business, they frequently hire professional managers to do the job. This is in contrast with a partnership, where the general partners (owners) have legal responsibility for management.

The death of an individual owner of stock in the corporation does not affect the continuity of the business. The stock owned by the decedent is simply transferred to others by sale or inheritance and the corporation lives on.

For-profit corporations must pay federal corporation income taxes as well as state franchise taxes in the state where it incorporated, and state income taxes in the states where it does business. By contrast, when a partnership earns profits and distributes them to the general partners then only they pay taxes; the partnership itself pays no income taxes.

Finally, individual stockholders have limited liability for the obligations of the corporation in which they hold stock. Only the assets owned by the corporation are ever at issue. This is in sharp contrast to the situation for partnerships in which the general partners are personally liable for the debts of the business.

The tracking of information regarding corporations is fairly straightforward but time-consuming, as can be seen from the following step-by-step guide.

Step 1. Obtain the accurate (full) name of the corporation.

This can be done by using one or more of the standard sources

Asking the office of the corporation itself;

Telephone directory listing;

County Tax Assessor's Index of Property Owners.

If the corporation owns property (real estate) in your county, then the full and accurate corporation name will be listed in this source along with a mailing address.

Step 2. Check for possible listing in standard corporation directories.

Many libraries, particularly college libraries or main libraries in large cities, will have a reference department whose materials will normally include one or more standard corporation directories. These list large corporations, usually those with assets of more than \$1 million. The most useful are:

Dun and Bradstreet Million Dollar Directory, 2 Vols., Annual

Covers 84,000 companies with brief listings. Includes State of Incorporation, names of officers and directors, general descriptions of the company's line of business, and information regarding whether the corporation is owned by another corporation.

Dun's Marketing Service
Three Century Drive
Parsippany, New Jersey 07054
(800) 526-0651

Standard & Poor's Register of Corporations, Directors & Executives, 3 Vols., Annual

Covers 37,000 companies with brief listings.

Standard & Poor's Corporation Records, 6 Vols., Current service

Covers 5,900 companies with extensive descriptions.

Standard & Poor's Corporation
25 Broadway
New York, N.Y. 10004
(212) 248-2525

Moody's Manuals, 6 Vols., Annual

Covers more than 5,000 companies with extensive listings.

Moody's Investor's Service
99 Church St.
New York, N.Y. 10007
(212) 553-0300

Step 3. Determine State of Incorporation.

If the corporation is not profiled in one of the directories, information on its

status can be found at the office of the Secretary of State (or Corporation Commission in some states). You must contact the Secretary of State in the home state of the corporation. You may then obtain a listing of officers, directors, and corporation address. In all states one can obtain this information at nominal cost by return mail. In some states this information can be obtained by telephone.

Step 4. Attempt to determine if the corporation is a subsidiary of another corporation.

This is possible only for the largest corporations doing business in the U.S. The standard directories listed in Step 2 above can be used. Another directory is designed specifically for this purpose.

Directory of Corporate Affiliations, Annual

See Chapter 2, page 54, of this guidebook for more details.

If the corporation of interest is a subsidiary, filings with government agencies will normally be in the name of the parent corporation.

Step 5. Determine if the corporation is required to file annual reports with the U.S. Securities and Exchange Commission.

This is done by checking the corporation name in

Directory of Companies Required to File Annual Reports with the SEC, Annual or by calling the SEC directly (see Chapter 2, page 52, of this guidebook).

If the corporation does not file with the SEC proceed directly to Step 6. If it does file with the SEC then obtain a copy of the most recent Form 10-K Annual Report (see page 56 of this guidebook for details on this). Since the Form 10-K is frequently very lengthy, you can write to the corporation and request a free copy. Copies of all SEC filings of this type are also available at regional SEC offices. Photocopies can be made in person at these offices for 10¢ per page of hard copy. Although much information may be found in standard directories like those listed in Step 2 above, the Form 10-K is more complete. For example, on page 58 of this guidebook we show a portion of the Form 10-K filed by Tenneco. None of the 11 subsidiaries of Tenneco West listed in the Form 10-K can be found

in the standard corporation directories listed in Step 2. Those summaries are usually based on Form 10-K reports and will only reflect the information thought to be important by the services compiling the summary.

Step 6. Write directly to the company and request a free copy of a recent annual report, if available.

Many corporations publish annual reports describing the company and its business. Such reports are usually issued to inform stockholders of yearly developments, especially financial matters. In some cases, even companies not required to issue reports to the SEC will have some published material available. While more limited in scope than an SEC Form 10-K report, this may provide some answers to your questions.

Step 7. Determine whether the corporation has filed documents with the state Department of Corporations.

This agency is the state counterpart to the U.S. Securities and Exchange Commission. It's main purpose is to insure that the investing public is adequately informed about securities that are offered for sale in the state. Because of the large number of corporations subject to this regulation, it is important to use the index system. The California Department of Corporations has a special Index Section, located in the Los Angeles office, that will provide reference numbers of up to three corporations in a single telephone call. They will also provide this information by correspondence.

Index Section
California Department of Corporations
600 S. Commonwealth Ave.
Los Angeles, CA 90005
(213) 736-2481

Each corporation is assigned a file number according to the following system:

File number starts with 3, file kept in Los Angeles office
5, San Francisco
7, Sacramento

Upon written request, the Department of Corporations will transfer the file of interest to any of four specified offices in the state. The offices are

listed in Chapter 2, page 64, of this guidebook.

An important limitation of the use of these files in California is that the main parts of the file are destroyed four years after initial filing. To assist persons interested in utilizing public records information, the California Department of Corporations publishes a free booklet titled "Information for Investors" describing the programs of the agency.

Step 8. Check to see if the corporation is of a specialized type that is required to file additional disclosure reports.

Chapter 4 of this guidebook enumerates the various types of companies that are required to file disclosure reports with various state or federal agencies.

2. Partnerships. These are businesses owned and operated by an association of two or more persons. These "persons" can be individuals, other partnerships, or corporations. There are two types of partnerships: general partnerships and limited partnerships. General partnerships are the most common.

The difference between general and limited partnerships is the liability incurred by the partners. General partners have full legal responsibility. This means that the general partner's personal assets can be sued, as is the case for a sole proprietorship. A limited partnership is made up of two kinds of partners, the general partners and the limited partners. While general partners assume full legal responsibility, the limited partners do not participate in management and have liability only for the amount of their investment (limited liability, hence limited partner).

Partnerships terminate upon the death of a general partner. For limited partnerships, the partnership agreement will specify a definite duration of the business. At the termination of the partnership the assets are distributed among the partners (or to the estate of a deceased partner). A partnership may terminate upon agreement of the partners.

A Joint Venture is a partnership formed for a single transaction or limited series of transactions. Joint Ventures are normally formed for a particular real estate investment.

Information concerning ownership of partnerships is readily available in most cases. If the name of the partnership includes the surnames of all of the partners, then the business name itself discloses the owners, and a Statement of Fictitious Business Name is not required.

Example. B.E. Giovannetti and Sons is the business name of a general partnership in which all of the partners' surnames appear. The partners are

Adele M. Giovannetti	B.E. Giovannetti
Deanna F. Giovannetti	Donald P. Giovannetti
E.J. Giovannetti	John B. Giovannetti
Mary E. Giovannetti	Norma J. Giovannetti
Ronald P. Giovannetti	

A Statement of Fictitious Business Name is not required.

If the partnership name does not include the surnames of all of the partners or suggests that other, un-named persons may be owners, then a Statement of Fictitious Business Name must be filed with the County Clerk in the county where the principal place of business is located. An alphabetical index of Fictitious Business Names and an alphabetical index of associates (meaning partners or others using fictitious names) is normally available to assist in locating the proper document.

Example. El Dorado Farms Company is a general partnership in which the surnames of the partners do not appear. A Statement of Fictitious Business Name must be filed in this case. When located the names of the owners were found to be Yataro Minami and Isamu Minami.

If the partnership is a limited partnership then the Statement of Fictitious Business Name filed with the County Clerk need only disclose the names of the general partners. In this case a much more detailed document must also be filed with the County Recorder. A Certificate of Limited Partnership is required to be recorded in the county where the principal place of business is located. This document must include the following:

- i. Name and address of each general partner;
- ii. Name and address of each limited partner, together with the amount each has invested;
- iii. Statement of business purpose;
- iv. Specification of the duration of the limited partnership.

The Certificate of Limited Partnership is indexed in the Grantor portion of the

Genral Index maintained by the County Recorder. This makes it possible to locate such documents if one can discover the county where the partnership filed the certificate.

Example. Westward Farms conducts business operations in Fresno, Kern and Tulare Counties in California. After determining that the business is not a corporation (see the first section of this chapter), a search for the Statement of Fictitious Business Name in the offices of the County Clerks involved yielded no result. Because it was possible that the business owned real estate, the records of the County Assessor in each county were consulted. It was discovered that the business was based in Menlo Park, California, some 150 miles distant in San Mateo County. An inquiry to the San Mateo County Clerk yielded the document, reproduced as Figure 33. The document shows that the business is a limited partnership and that the general partners are an individual and two corporations. Now that these corporate names are known they can be studied with the methodology used for any corporation (see previous section of this chapter). Since we are dealing with a limited partnership there must also be a Certificate of Limited Partnership available in the public record, possibly filed in one of the four counties mentioned above. A copy of this document was rapidly located in Fresno County (see Figure 34). The full document discloses the names of the limited partners and the amount that each had invested.

This example shows how documents may not be filed at a location convenient to the investigator. In this case, Westward Farms conducts business some 150 miles distant from its "principal place of business."

If a partnership owns real property (real estate), then a Statement of Partnership is filed with the County Recorder, usually in the county where the property is located. This document is indexed in the Grantor portion of the General Index maintained by the County Recorder. The filing will be made in the year that the partnership first acquired the property and lists the names of all partners as well as whether they are individuals, partnerships or corporations.

3. Sole proprietorships. These are unincorporated businesses owned by a single individual. The individual owner is fully liable for all business debts and other obligations of the sole proprietorship. This means that the individual's personal assets may be seized as a result of a court judgement against the business. Finally, the business terminates at the death of the owner.

A sole proprietorship may operate under the name of the individual or may operate under a fictitious business name. In the latter case, a Statement of Fictitious

INDEXED

FILED IN THE OFFICE OF THE
COUNTY CLERK OF
SAN MATEO COUNTY, CALIF.

COUNTY OF SAN MATEO
COUNTY CLERK

NOV 20 1974

RECEIVED NOV 11 1974

MARVIN CHURCH, County Clerk
By *[Signature]*
DEPUTY CLERK

FICTITIOUS BUSINESS NAME STATEMENT

No. 20557

The following person(s).....doing business as:
(is/are)

* Westward Farms

** at 3000 Sand Hill Road, Menlo Park, CA 94025

NAME	RESIDENCE ADDRESS	94025
*** Robert W. Hockey	3000 Sand Hill Road, Menlo Park, CA	
Pro-Ag, Inc., a Calif. Corp.	830-10th Avenue, Delano, CA 93215	
Founder's Plaza, Inc., a Connecticut Corporation	One American Row Hartford, Connecticut 06115	

*** This business is conducted by a limited partnership

Signature of *[Signature]* General Partner
(Individual/General Partner/Trustee/Officer)

CERTIFICATION

I hereby certify that the foregoing is a correct copy of the original on file in my office.

MARVIN CHURCH, County Clerk

By _____, Deputy

SEE REVERSE SIDE FOR INSTRUCTIONS

EXPIRES _____

Figure 33
Statement of Fictitious Business Name, Westward Farms, San Mateo County Clerk.

REC 7743 REC 771

74030AM

RECORDED AT REQUEST OF

AFTER RECORDATION RETURN TO:

Steinhart, Goldberg, Feigenbaum & Ladar
George H. Gross, Jr.
One Post Street, Suite 3400
San Francisco, California 94104

62696

JUN 29 06 AM 1978

MARVIN CHURCH REC
SAN MATEO CO J
OFFICIAL REC'D

RECORDING
FILED
JUN 13 1978
SAN MATEO COUNTY
CLERK

FIFTH AMENDMENT TO CERTIFICATE
OF LIMITED PARTNERSHIP OF WESTWARD FARMS

The undersigned, desiring to amend the Certificate of Limited Partnership of WESTWARD FARMS, recorded on August 2, 1974, in Volume 6669, Page 670, as Document No. 69236AH of the Official Records in the Office of the County Recorder of San Mateo County, California (hereinafter called the "original certificate"), copies of which were recorded on August 8, 1974, in Book 6333, Page 347, as Document No. 59824 of the Official Records in the Office of the County Recorder of Fresno County, California, on December 31, 1975, in Volume 3289, Page 317, as Document No. 52319 of the Official Records in the Office of the County Recorder of Tulare County, California, and on December 20, 1977, in Book 5076, Page 1705, as Document No. 3406A of the Official Records in the Office of the County Recorder of Kern County, California; as amended by First Amendment to Certificate of Limited Partnership of WESTWARD FARMS, recorded December 24, 1974, in Volume 6757, Page 460, as Document No. 10380AI of the Official Records in the Office of the County Recorder of San Mateo County, California, copies of which were recorded on January 27, 1975, in Book 6392, Page 438, as Document No. 5970 of the Official Records in the Office of the County Recorder of Fresno County, California, on December 31, 1975, in Volume 3289, Page 361, as Document No. 52322 of the Official Records in the Office of the County Recorder of Tulare County, California, and on December 20, 1977, in Book 5076, Page 1715, as Document No. 3407A of the Official Records in the Office of the County Recorder of Kern County, California; as further amended by Second Amendment to Certificate of Limited Partnership of WESTWARD FARMS, recorded on January 28, 1976, in Volume 7036, Page 396, as Document No. 35219AJ of the Official Records in the Office of the County Recorder of San Mateo County, California, copies of which were recorded on February 20, 1976, in Book

TO THE CLERK

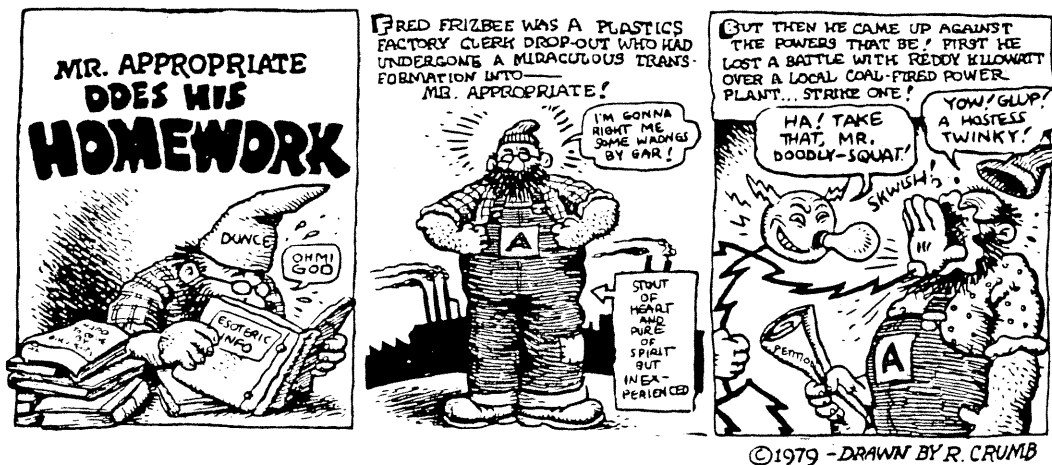
74030AM

Figure 34

Certificate of Limited Partnership, Westward Farms,
Fresno County Recorder.

Business Name must be filed with the County Clerk in the county where the principal place of business is located. The filing is required whenever the fictitious name suggests that there may be more than one person involved in the ownership of the business.

If the sole proprietorship has a business office or other facility located within the boundaries of a city then a Business License or Business Certificate will be required. This document will be filed with the City Clerk or other city official and constitutes authority to engage in business within the city. The License or Certificate discloses the name of the business, the business location and the name of the owner.



Chapter 4

Types of Businesses Required to Make Special Disclosure Reports

Certain types of businesses regulated by government agencies are required to make special disclosure reports. Some of these reports are very extensive while others are quite limited in scope. We describe next, in alphabetical order, the most important of these special business types.

Air Line Operating Companies

Interstate air line operating companies report to

Civil Aeronautics Board
Bureau of Domestic Aviation
1825 Connecticut Ave. NW
Washington, D.C. 20428
(202) 673-5921
Att: Barbara Dunnigan

However, the Airline Deregulation Act of 1978 provides for the phasing out of the CAB authority over the next several years and abolition of the Board itself by January 1, 1985. At the present writing the reporting requirements include such details as a quarterly summary of owners of 5% or more of air carrier securities.

Banks (commercial)

There are two types of banks: national and state. The distinction refers to the charter (legal documents) that must be reviewed and approved in order for the bank to conduct business. Nationally chartered banks are supervised by

Comptroller of the Currency
409 L'Enfant Plaza East SW
Washington, D.C. 20219
(202) 447-1800

One of the little known but important functions of this agency is supervision of the Federal Community Reinvestment Act (CRA). This law requires national banks to disclose detailed information concerning the disposition of locally deposited funds. Such data has been used by community activists in the Los Angeles area to show how major banks actually siphon funds out of low income communities by tending not to make loans available to residents of those communities (red-lining). The information is also supposed to be available at certain bank offices for public inspection. The programs of the Comptroller of the Currency are conducted by the Administrator of National Banks. The regional office covering California is

Regional Administrator of National Banks
1 Market Plaza
San Francisco, CA 94105
(415) 556-4307

State chartered banks are supervised by a state agency. In California this is the State Department of Banking.

State Department of Banking
235 Montgomery St., Suite 750
San Francisco, CA 94104
(415) 557-3232

Many state chartered banks are members of the Federal Deposit Insurance Corp. (FDIC) to provide this kind of insurance to depositors. In such a case they will be supervised by the FDIC as well. The California administrative office of this agency is

Federal Deposit Insurance Corporation
44 Montgomery St.
San Francisco, CA 94104
(415) 556-2736

If the bank offers trust services (investment management of personal assets or estates of customers), then the trust department may be required to file Form 13f with the U.S. Securities and Exchange Commission (SEC). This is an annual detailed listing of securities holdings of investment managers, including bank trust departments, that have at least \$75 million in such holdings. The reports are up-dated on a quarterly

basis. For more information on the SEC, see page 52 of this guidebook.

Broadcast companies, including parent companies (radio and television)

All commercial broadcast companies, including parent companies that own broadcast operating companies, are regulated by the Federal Communications Commission (FCC).

For more details see page 61 of this guidebook.

Charitable organizations

California corporations, associations or trustees holding assets for charitable purposes must submit a Form CT-2 to the Attorney General of the State of California. Several types of charitable organizations are exempt from filing;

- (1) a government agency,
- (2) a religious corporation sole,
- (3) a cemetery corporation,
- (4) a charitable corporation organized and operated primarily as a religious organization, educational institution or hospital,
- (5) corporate trustees subject to the jurisdiction of the Superintendent of Banks of the State of California or to the Comptroller of the Currency of the U.S.
- (6) those with less than \$10,000 per annum income.

The reports are available to the general public and include a detailed statement of revenue, expenditures, land held for investment and a schedule of securities owned.

The reports are located in the following offices

Registry of Charitable Trusts
California Dept. of Justice
1315 5th St., Room 443
Sacramento, CA 95813
(916) 445-2021

Charitable Trust Unit
California Dept. of Justice
3580 Wilshire Blvd.
Los Angeles, CA 90010
(213) 736-2001

Charitable Trust Unit
California Dept. of Justice
350 McAllister St., Room 6000
San Francisco, CA 94102
(415) 557-2645

Farmers

(1) Individuals, partnerships, corporations or other organizations operating a commercial farm business must report details of their activities to an agency of the

U.S. Department of Agriculture if they receive Federal crop subsidies or insurance. In California, more than two-thirds of all commercial farm operators must report. All farmers are encouraged to report crop acreages. Participating farmers who grow barley, corn, grain sorghum, rice, upland cotton or wheat and who wish to be eligible for price support and disaster, deficiency, diversion, or grazing and haying payments must report their acreages to the local (county) office of

Agricultural Stabilization and Conservation Service (ASCS)
U.S. Department of Agriculture

Each county ASCS office is administratively under the direction of a state ASCS office so that any county office can be quickly located by contacting the state office and requesting the address, telephone number and name of a county director.

The reports filed by each farm operator include the name and address of farm operator, gross farm and ranch land acreage, net cropland acreage, names and addresses of landowners for all leased acreage, and detailed crop acreage figures for specified crops. If a farm operator has received price support payments then the amount of the payment is also available.

(2) If a farm operator obtains a commodity loan (crop or livestock loan) for which commodities are pledged as collateral, then information concerning the properties where the collateral is located must be disclosed. For crops being grown this means detailed disclosure of all lands being farmed by the farm operator including acreage, location and name of owner for leased lands. Many farm operators need this sort of loan to conduct their business. Loans with unsecured property (non-real estate property) pledged as collateral are called chattel loans in many states. The loan agreements are called chattel mortgages and are filed with the County Recorder in the county where the property is located. They are either separately indexed or indexed in the Grantor Index.

In California a more elaborate system of reporting loans on unsecured property has been developed. Loans for which household goods, timber to be cut, machinery, or agricultural commodities are pledged as collateral are reported in Financing Statements under the Uniform Commercial Code (UCC) of the state. The document is filed with the County Recorder in the county where the property is located if the collateral consists

of household goods, crops or timber to be cut. If the collateral consists of equipment (machinery) then the UCC Financing Statement must be filed with the California Secretary of State, Commercial Filing Division. Because many loans include both crops and equipment as collateral some farm operators routinely file all required statements with the state office. See page 62 of this guidebook for address and phone number.

For a modest fee one can readily track a filing by obtaining a blank Form UCC-3 (available in office supply and stationary stores), indicating the desired information and mailing to either the Secretary of State or the County Recorder in the county of interest. They will send a description of filings that are available. An example of such a document is shown in Figure 35. The information available on UCC Financing Statements can frequently be found in ASCS records (see part (1) above), but UCC filings are often more complete. In addition, some operators not participating in USDA support programs can be found in this way.

Farm land owners (domestic)

If agricultural land is being utilized for the production of commercial crops and the farmer relies on U.S. Department of Agriculture (USDA) support programs, then the name of the land owner is reported to a local USDA office (ASCS, see above section on Farmers). The information disclosed includes name and address of owners of record, gross farm and ranch land acreage, net cropland acreage, location of the property, and name and address of the farm operator (if the farmer and the land owner are not the same). Reports are filed at branch offices of ASCS located in agricultural counties.

In California, county directors of ASCS estimate that at least two-thirds of farm operators participate in USDA support programs. Thus, while not all land owners would be reported, the chances are good that some information will be found in ASCS records.

Farm land owners (foreign)

The Foreign Investment and Disclosure Act of 1978 requires that foreign nationals who own, buy, sell or hold interest in U.S. farmland must report their holdings and transactions to the U. S. Secretary of Agriculture. Form ASCS-153 Agricultural Foreign Investment Disclosure Act Report is used and must be filed with the county ASCS office

Figure 42

8A00'E

02 01 11 1976 00

This FINANCING STATEMENT is presented for filing pursuant to the California Uniform Commercial Code.

1. DEBTOR (Last name first--if an individual) White Ranch Company, A Partnership		1A. SOCIAL SECURITY OR FEDERAL TAX NO. 95-2735599	
1B. MAILING ADDRESS P. O. Box 196,		1C. CITY, STATE Shandon, California	1D. ZIP CODE 93461
2. ADDITIONAL DEBTOR (if any) (Last name first--if an individual)		2A. SOCIAL SECURITY OR FEDERAL TAX NO.	
2B. MAILING ADDRESS		2C. CITY, STATE	2D. ZIP CODE
3. DEBTOR'S TRADE NAMES OR STYLES (if any)		3A. FEDERAL TAX NUMBER	
4. SECURED PARTY Name Bank of America NT & SA Mailing Address P. O. Box 547, City Paso Robles State California Zip Code 93446		4A. SOCIAL SECURITY NO., FEDERAL TAX NO. OR BANK TRANSIT AND A.B.A. NO. BA-0028	
5. ASSIGNEE OF SECURED PARTY (if any) Name Mailing Address City State Zip Code		5A. SOCIAL SECURITY NO., FEDERAL TAX NO. OR BANK TRANSIT AND A.B.A. NO.	

6. This FINANCING STATEMENT covers the following types or items of property (include description of real property on which located and owner of record when required by instruction 4).
All crops growing or to be grown hereafter, including, but not limited to, crops consisting of barley, wheat and summer fallow, located on that certain real property in San Luis Obispo County, State of California, and particularly described as follows:
White Ranch 6 miles North of Shandon on McMillan Canyon Road, more particularly described as portions of Sections 9,10,14,15,16,21,22,23,26,27,32, and 34, T-25S, R-15E, M.D.B. & M.; portions of Sections 3,5,6,7,8,17, T-26S, R-15E, M.D.B. & M. Also properties known as Spring Ranch, and Peck Ranch, also near Shandon. All property in San Luis Obispo County, State of California, and all such crops after they have been severed and removed from said real property. All farm products and all accounts, contract rights, and chattel paper now owned or hereafter acquired. All equipment, including, but not limited to, farm machinery and farm equipment, now owned or hereafter acquired.

7. CHECK IF APPLICABLE <input checked="" type="checkbox"/>	7A. PRODUCTS OF COLLATERAL ARE ALSO COVERED <input checked="" type="checkbox"/>	7B. DEBTOR(S) SIGNATURE NOT REQUIRED IN ACCORDANCE WITH INSTRUCTION 5(a) ITEM: <input type="checkbox"/> (1) <input type="checkbox"/> (2) <input type="checkbox"/> (3) <input type="checkbox"/> (4)
8. CHECK IF APPLICABLE <input checked="" type="checkbox"/>	DEBTOR IS A "TRANSMITTING UTILITY" IN ACCORDANCE WITH UCC § 9105 (1) (n) <input type="checkbox"/>	

9. DATE: 10-19-76		10. THIS SPACE FOR USE OF FILING OFFICER (DATE, TIME, FILE NUMBER AND FILING OFFICER)
Signature(s) of Debtor(s) by <i>[Signature]</i> Partner		
Type or Print Name(s) of Debtor(s) White Ranch Company, A partnership		
Signature(s) of Secured Party(ies) by <i>[Signature]</i>		
Type or Print Name(s) of Secured Party(ies) Bank of America NT & SA		76138787 FILED OCT 20 1976 9 05 SHANDON, CALIF.
11. Return copy to:		
NAME	Bank of America NT & SA	
ADDRESS	P. O. Box 547,	
CITY	Paso Robles, Ca. 93446	
STATE		
ZIP CODE		
(1) FILING OFFICER COPY		
FORM UCC-1 - Filing Fee \$3.00 Approved by the Secretary of State		

N-285 1-76 (Rev.)

Figure 35

Financing Statement under Uniform Commercial Code, White Ranch Co.

where the property is located. For a description of ASCS see above section on Farmers.

The term "foreign" is interpreted to include citizens of other countries, foreign business entities, U.S. organizations with the principal place of business outside the

U.S., and any U.S. organization with 5% or more of the ownership controlled by one or more foreigners or foreign companies. Parcels of less than one acre or producing less than \$1,000 a year are exempt.

Foundations

Private foundations play a central role in funding a wide range of educational, service and research programs. The single best resource to learn about the activities of a private foundation is The Foundation Center. For a free copy of a booklet describing their publications and services contact one of the four offices. The Center maintains copies of disclosure statements Forms 990-PF and 990-AR that are filed annually by private foundations with the Internal Revenue Service.

The Foundation Center
888 Seventh Ave.
New York, N.Y. 10106
(212) 975-1120

The Foundation Center
312 Sutter St.
San Francisco, CA 94108
(415) 397-0902

The Foundation Center
1001 Connecticut Ave. NW
Washington, D.C. 20036
(202) 331-1400

The Foundation Center
629 Euclid Ave.
Cleveland, OH 44114
(216) 861-1933

Insurance companies

Insurance companies must be licensed by states in which they wish to conduct business. As a part of this licensing requirement the insurance company must provide a detailed annual statement listing all stocks, bonds, real estate and other properties owned. For more details concerning this see page 65 of this guidebook.

Livestock grazing permit holders (government lands)

Vast tracts of Federal land are leased to commercial livestock operations under a fee system. The National Forest lands are administered by the local U.S. Forest Service office. In California contact

U.S. Forest Service, Regional Forester
U.S. Department of Agriculture
630 Sansome Street
San Francisco, CA 94111
(415) 556-6446

Holders of U.S. Forest Service Grazing Permits are required to file Form 2200-130 Grazing Permit Data that discloses the name and address of the permit holder, number of

livestock owned, acreage of land owned, and acreage of land leased from others.

Federal lands are administered by the Bureau of Land Management of the U.S. Department of the Interior and include desert and mountain areas as well as grasslands. BLM grazing lease holders report through offices of BLM District Managers. There are six BLM Districts in California.

Bakersfield District Manager
Bureau of Land Management
800 Truxton Ave., Room 311
Bakersfield, CA 93301
(805) 861-4191

Folsom District Manager
Bureau of Land Management
63 Natoma St.
Folsom, CA 95630
(916) 985-4474

Redding District Manager
Bureau of Land Management
355 Hemsted Dr.
Redding, CA 96001
(916) 246-5325

Riverside District Manager
Bureau of Land Management
1695 Spruce St.
Riverside, CA 92507
(714) 787-1465

Susanville District Manager
Bureau of Land Management
705 Hall St.
Susanville, CA 96130
(916) 257-5385

Ukiah District Manager
Bureau of Land Management
555 Leslie St.
Ukiah, CA 95482
(707) 462-3873

Grazing lease holders report name and address, acreage of Federal land leased, type of livestock and animal-unit-months of grazing use.

Natural Gas Pipe Line companies (interstate)

These companies file annual disclosure reports with the Interstate Commerce Commission (ICC). For further details see page 61 of this guidebook.

Newspaper and periodical publishing companies

All companies of this type are required to publish an annual statement showing the identity of the publisher, identification of all owners of 1% or more of the publishing company, and disclosing the paid circulation. Normally, the publication will print this statement in a late September or early October issue. A copy of the recent statement from the San Francisco Sunday Examiner and Chronicle is reproduced in Figure 36. If you have questions about how to locate the published statement, contact the publisher.

Public Utility holding companies (electric and gas)

Non-operating companies that own operating electric and gas utility companies are regulated by the U.S. Securities and Exchange Commission (SEC). The holding

These companies are regulated by the Federal Energy Regulatory Commission (FERC). Electric utility operating companies file Form 1 while gas utility operating companies file Form 2. For further information see Chapter 2, page 56 of this guidebook.

Public Utility operating companies (intrastate)

Many states regulate intrastate public utilities such as commuter air lines, local trucking companies, and small scale telephone, water and electric utility operating companies. Not only are rate structures subject to review and final approval but substantive financial disclosure reports are also required on an annual basis. In California copies of the reports are available at the two main offices of the state Public Utilities Commission. For further details see Chapter 2, page 65 of this book.

Railroad operating companies

These companies are regulated by the Interstate Commerce Commission (ICC). Annual financial disclosure reports are filed with the ICC in Washington. See page 61 also.

Real estate sales personnel and brokers

Individuals and companies engaging in the real estate business in these capacities are licensed by state authorities and are required to pass licensing exams. An individual or company file will disclose name, address, employer, fictitious business name (if any), and any record of actions taken by state authorities (such as suspension of license). For further details see Chapter 2, page 66, of this guidebook.

Real estate subdividers

In California, companies that subdivide land for the purpose of sale or development must file a disclosure report with the Department of Real Estate. Knowledge of the name of the subdivision, Assessor's parcel number or other unique feature is sufficient to locate the filing. For further details see Chapter 2, page 66, of this guidebook.

Telephone and telegraph operating companies

This category of business is regulated by the Federal Communications Commission. For further details see Chapter 2, page 61, of this guidebook.

Trucking companies (interstate)

Trucking companies that are interstate common carriers are required to file annual

disclosure reports with the Interstate Commerce Commission (ICC). For further details see Chapter 2, page 61, of this guidebook.

Trucking companies (intrastate)

Intrastate common carriers are regulated in California by the California Public Utilities Commission. For further details see Chapter 2, page 65, of this guidebook.

Trust companies

Trust companies offer services that are essentially investment management services for wealthy clients. Trust companies that are departments of nationally chartered banks or are owned by national banks are under the jurisdiction of the Comptroller of the Currency. See section in this chapter on Banks (commercial).

All trust companies, whether nationally chartered banks or otherwise, having assets under management of \$75 million or more must provide detailed reports of stocks owned to the U.S. Securities and Exchange Commission. These Form 13f reports are up-dated on a quarterly basis and list aggregate securities transactions as well. For further details on the SEC see Chapter 2, page 52, of this guidebook.

Chapter 5

Real Estate

Real estate records are by far the most extensive public record documents available for any type of U.S. business. This is a consequence of the system of land title recording that is the basis for establishing rights to real property (also called real estate or secured property). An excellent reference volume describing the fundamentals of this area of business activity as well as the kind of regulation and disclosure in California is the following book.

Reference Book: A Real Estate Study Manual and Guide

California Department of Real Estate

P.O. Box 160009

Sacramento, CA 95816

Cost in 1980 is \$3.50, plus 6% state sales tax for California residents.

Real estate records are kept in two different county offices: County Recorder and County Assessor. These have been described in Chapter 2. The main features of real estate documents and the systems of property description in common use are described next.

1. Ownership and Transfer of Property. The document establishing title to property is the Grant Deed. Rights to property are demonstrated in the U.S. by officially recording transfers of title to property. To establish rights of prior claim, the Recorder stamps each deed with the date and precise time of filing. A fee is collected for the service.

The seller is termed the Grantor and the buyer of the property is known as the Grantee. Each grant deed is indexed twice, once in the Grantor Index under the name

of the seller and again in the Grantee index under the name of the buyer. The Grantor/Grantee Index is an annual record of transactions that were recorded in a given year. There is no cumulative index.

The grant deed is equivalent to legal proof of ownership. All other public records, whether County Tax Assessor records or others, do not serve this legal purpose. If ownership of real property is a matter of concern always check the grant deed.

In addition to recording the grant deed, the County Recorder collects a tax that is based on the amount of the transaction. This is called the documentary transfer tax and is normally recorded on the deed at the time it is recorded. Knowing the amount of this tax enables one to compute the value of the property. The tax is levied at a rate of 55¢ per \$500 of cash paid. If a portion of the total price paid for the property is exempt from taxation because a lien or encumbrance remains on the property, this fact must be stated in connection with the recording of the tax.

Example. The documentary transfer tax on the sale of a half-interest in 160 acres of agricultural land is \$137.50. What was the market value of the property at the time of sale? Using the rate of 55¢ per \$500 of consideration we find $(\$500) \times (\$137.50/\$0.55) = \$125,000$. Since this refers to a half-interest the full value of the property is \$250,000.

CAUTION. Upon request of the parties in a property transaction, the County Recorder may record the amount of the documentary transfer tax on a separate piece of paper, not the deed itself, and then seal this record. In counties where this is done one must formally request to see the record of the documentary transfer tax. Some county recorders will only permit the owner to see this record.

2. Mortgages and Deeds of Trust. Most property is not initially purchased outright for cash. Usually, purchasers must borrow a large fraction of the price and then pay it back over an extended period of time. In this case the property is technically "owned" by the party extending the loan. To insure that all obligations involving the property as collateral are fully known to all who have an interest in it, the basic circumstances of the loan are also recorded.

The document that is most widely used in California for this purpose is the Deed of Trust. In this type of deed there are three parties: trustor (borrower of funds), beneficiary (lender), and trustee (a neutral third party who holds the property in case of default). A deed of trust is recorded when real property is used as collateral

for a loan. Since a property owner may borrow at any time, not just at the time of sale, deeds of trust are indexed separately under both the trustor (in the Grantor index) and beneficiary name (in the Grantee index).

A deed of trust will specify the amount of the loan and, in some cases, the rate of interest charged. The existence of loans and their amounts can provide valuable insights into the operations of property owners.

3. Mineral Rights. While most property ownership rights refer to exclusive control of property, oil and gas companies long ago recognized that what is under the surface may be more valuable than what is on top. For this reason a system of separate sale of rights to extract minerals has been developed. The "owner" of surface rights may not own the mineral rights, and be forced to allow an oil company to drill on the property. Mineral rights can be bought, sold or leased in the same manner as surface rights.

4. Lease Agreements. Leasing of property is quite extensive. Nearly half of all farm property in California is leased by the owner to a separate farm operator. In major urban areas a large portion of the citizenry lives in rental housing. As a general rule the lease (rental) agreement is not recorded or in the public record. Occasionally, a particular lease agreement may be recorded at the insistence of one or other of the parties.

In California, it is usually possible to determine whether residential property is owner occupied. This is because California law provides for a homeowner's exemption from a portion of property tax if the property is the principal place of residence of the owner. This means that the Assessor's Roll of Secured Property (County Tax Assessor's office) will have an indication for each parcel as to whether or not a homeowner's exemption has been claimed. If the exemption is not claimed on a residence then it is highly likely that the property is being rented to the occupant.

5. Legal Description of Real Property. A deed (grant deed or deed of trust) will include a description of the property involved in the transaction. This description will be one of three types in common useage:

- i. Lot number, block number, subdivision number;
- ii. Township plat description;
- iii. Record of survey.

Because the deed is filed with the County Recorder there is no effort to co-ordinate the property description with the County Tax Assessor's parcel numbering system. As a result it is often difficult to correlate the legal description on the deed with the corresponding Assessor's Parcel Number(s). To assist in this process we summarize the three types of legal descriptions in common use.

- a. lot-block-subdivision. An example of this type is "Lot 3, block 1, Davis Manor Unit 13" describing a particular property in the Davis Manor Unit 13 subdivision. The County Recorder maintains a separate set of maps that are not correlated with the Assessor's maps showing particular subdivisions and surveys. However, most Tax Assessors also have an index of subdivisions showing the Assessor's Map Book and Page Number on which the Assessor has mapped a particular subdivision. This enables one to quickly correlate the subdivision description with the Assessor's Parcel Number. The Assessor's maps normally indicate subdivisions on the pages.
- b. township plat description. An example of this type is "N½ of NE¼, Sec. 15, T5NR11E, Mt Diablo B & M" describing an 80 acre parcel of land. This is an example of the plat mapping system adopted during the westward expansion of the 19th Century. It is a system of rectangular grid mapping that divides the land into square blocks, or townships. A township consists of thirty-six square miles (six miles East-West, six miles North-South). Each township is designated by its distance, measured in number of townships from an agreed upon reference point. In Central California, the Mount Diablo peak is such a reference. Thus, T5NR11E is that township located 5 townships North and 11 townships East of the Mount Diablo reference point. In terms of miles this corresponds to 5 x 6 = 30 miles North and 11 x 6 = 66 miles East.

Within each township there is a square array of thirty-six sections (each is one mile square). The sections are numbered sequentially in exactly the same manner in each township starting with the Northeast corner as Section 1. See Figure 37. Section 15 is shaded in Figure 37 to correspond to the example that we have chosen.

Within each section there is a division of the one square mile area using geographic designation. In our example, "N½ of NE¼" refers to the North one-half of the Northeast one-quarter (of Section 15). This is shown in Figure 38 where the shaded portion is the property that we have described. Additional examples of section descriptions are shown in Figure 39.

- c. record of survey. These are surveyor's descriptions of properties and are quite complex. They rely on exact specification of geographic latitude, longitude and distance (in obscure measurement units such as "chains" or "rods" as well as more commonly used units of linear measure). Such survey descriptions are frequently used for irregular shaped parcels, especially those derived from Spanish land grants. For activists it is not worth the time to learn how to use this system.

THE MOST USEFUL SYSTEM OF PROPERTY DESCRIPTION IS THE ASSESSOR'S PARCEL SYSTEM.

- 6. Title Search. This is a detailed tracing of the succession of title to a particular

T5NR11E

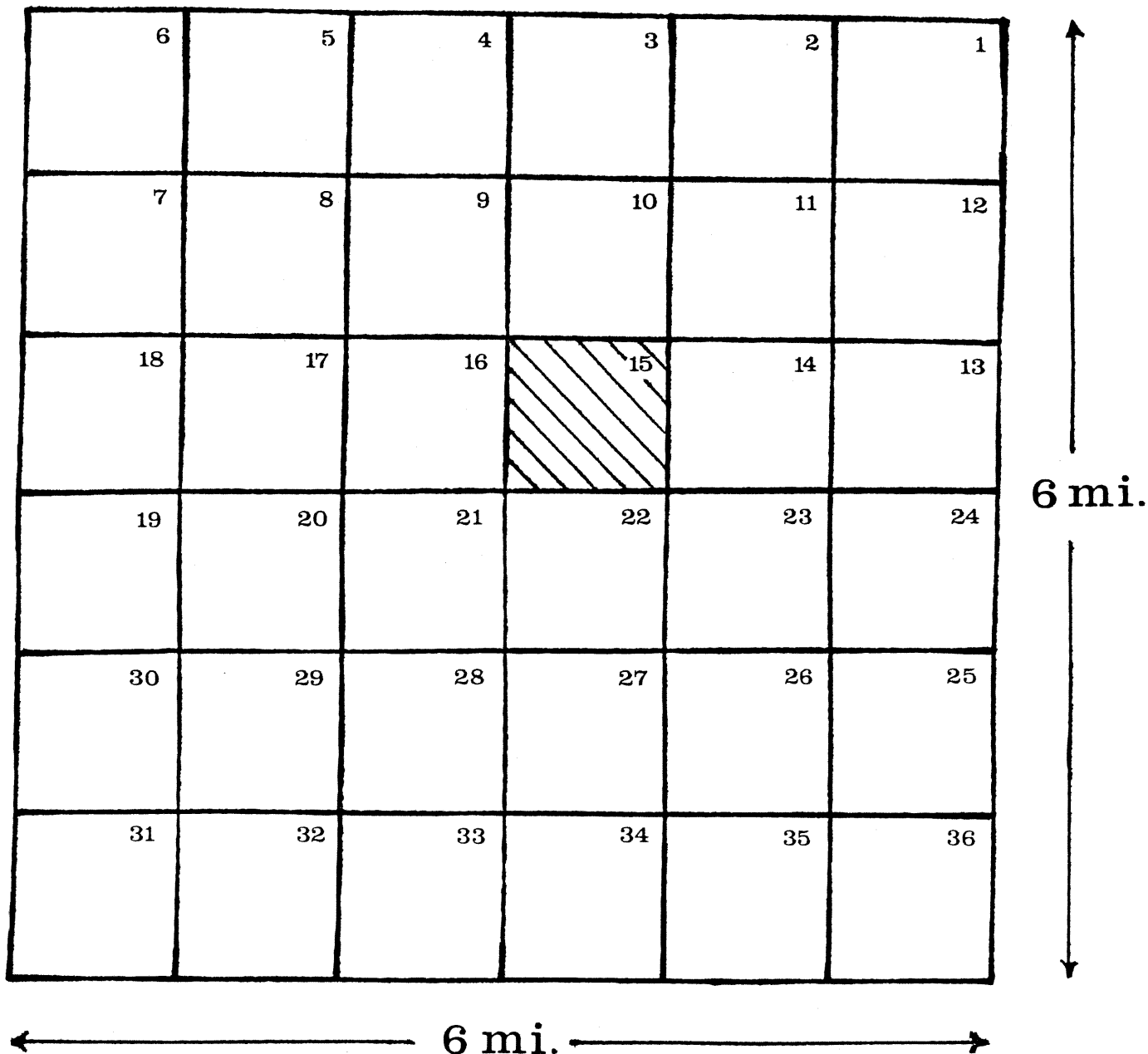


Figure 37
Township Plat Map, Section Numbering System.

parcel of property. If the name of the current owner is known then one would search backward, year by year, through the Grantee Index in the County Recorder's office to find any transactions involving the property. The first record of a grant deed found in this way would then yield the name of the grantor (the party from whom the property was purchased). This name would then be used again to search backward in the Grantee

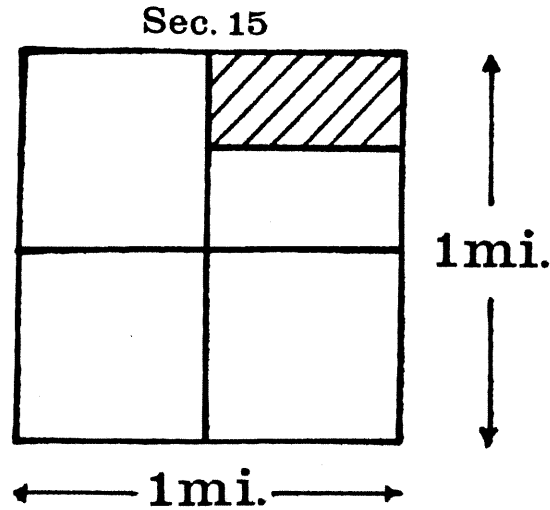


Figure 38
Description of $N\frac{1}{2}$ of $NE\frac{1}{4}$ of Section 15.

Index starting with the year of that transaction to find out when that party acquired the property and from whom. If deeds of trust or other obligations might be involved then all names would have to be searched in the Grantor Index as well. Such title searches are best left to professionals who frequently have access to computer lists.

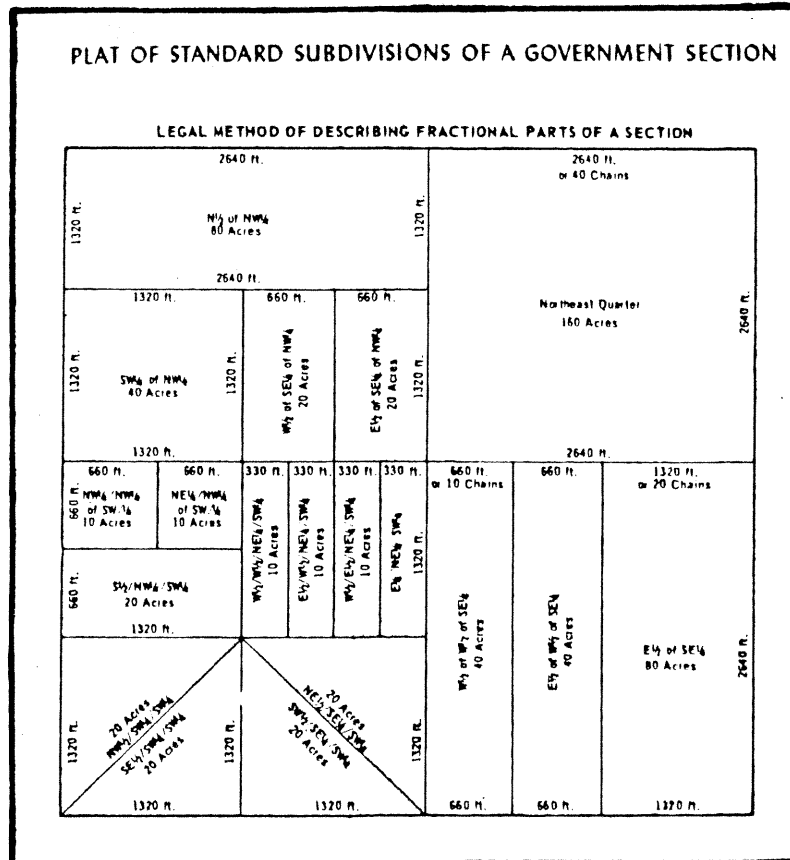


Figure 39
Standard Subdivisions of a Government Section.

Chapter 6

Public Officials and Lobbyists

Elected officials and political organizations are required to disclose details of sources of income and support. In California, all organizations spending more than \$2,500 per calendar quarter to influence legislation or government administrative actions must regularly report their activities to state officials.

The current disclosure requirements are, in part, a response to issues raised by the protest movements of the 1960's and 1970's. The sophisticated and expensive techniques of influencing public opinion (for example, targeted direct mailings) have led to unprecedented amounts of funds being used to influence government. Wealthy special interest groups, from real estate organizations to highway lobbyists, are increasing their donations to express their influence in elections and in government.

A. CAMPAIGN DISCLOSURE STATEMENTS

Candidates for public office make regular disclosure reports of campaign contributions and expenditures. The name of the agency responsible and the reporting requirements vary according to political office.

1. U.S. House of Representatives/U.S. Senate. Congressional candidates must report contributions of \$100 or more. Reports of contributors showing name, address, occupation and amount donated are filed in Washington, D.C., and also with the Secretary of State (or other statewide elections official) in the state where the election takes place. In California, copies are also filed with the Registrar-Recorder of Los Angeles

County and with the Registrar of Voters of the City and County of San Francisco. Copies of these reports can be obtained for a fee from the following sources.

Office of Public Records, ST-2
U.S. Senate
Capitol Building
Washington, D.C. 20510

Office of Records and Registration
U.S. House of Representatives
Longworth Building
Washington, D.C. 20515

In California, copies are also available from the offices listed in Table VI-1.

2. Statewide Elections. Statewide elected officers, Supreme Court justices, candidates for statewide elected office, committees supporting such candidates, state central committees of political parties, proponents of statewide measures and committees supporting or opposing statewide measures must file with

the Secretary of State; the Registrar-Recorder of Los Angeles County; and the Registrar of Voters of the City and County of San Francisco.

3. State Elections. Candidates for, and persons holding the office of Court of Appeal Justice, Superior Court Judge, Member of the State Legislature, Member of the Board of Equalization and committees supporting or opposing such candidates file with

the Secretary of State; the clerk of the largest county by population which in whole or in part is included in the election district; and the clerk of the county in which the candidate or officeholder resides, or in which the committee is domiciled.

4. Multi-county Elections. Candidates for and persons holding an elective office which is voted upon in more than one county, committees supporting or opposing candidates or measures voted upon in more than one county must file with

the clerk of the county having the largest population; and the clerk of the county in which the candidate or officeholder resides, or in which the committee is domiciled.

5. County Elections. Candidates for and persons holding an elective office which is voted upon wholly within one county, committees supporting or opposing candidates or measures to be voted upon in not more than one county must file with the County Clerk.

6. City Elections. Candidates for and persons holding an elective office which is voted upon wholly within one city, committees supporting or opposing candidates or measures to be voted upon wholly within one city must be filed with the City Clerk.

7. County Central Committee. County central committees of political parties must file with the Secretary of State and with the County Clerk where the committee is based.

Table IV-1
California Agencies Where Campaign Statements are Filed.

Secretary of State
Political Reform Division
1230 J Street
Sacramento, CA 95814

Secretary of State
Political Reform Division
107 S. Broadway, Suite 4001
Los Angeles, CA 95807

Registrar-Recorder of Los Angeles Co.
Campaign Reporting Unit
5557 Ferguson Drive
Los Angeles, CA 90022

Registrar of Voters, City and
County of San Francisco
Campaign Statements
City Hall, Room 155
San Francisco, CA 94102

B. FINANCIAL DISCLOSURE STATEMENTS BY PUBLIC OFFICIALS

Elected officials and many appointed officials are required to make annual disclosure statements. These financial statements, also called Statements of Economic Interest, disclose sources of income, assets owned (such as real estate and corporate securities), and positions as corporate director or officer. The place where these reports are filed depends upon the character of the office.

For U.S. Senators ask for Statements of Financial Interest at the address given on page 100. For member of the House of Representatives ask for Statement of Financial Interests at the address shown below.

Committee on Standards of Official Conduct
U.S. House of Representatives
Rayburn Building, Room 2360
Washington, D.C. 20515

On the state level the name of the agency regulating this function differs in different states. In California, statewide officials and those whose jurisdiction includes more than one county report to

Fair Political Practices Commission
P.O. Box 807
Sacramento, CA 95804
(916) 322-5660

For county officials and those whose jurisdiction includes more than one political subdivision within the county reports are filed with the County Clerk (Elections Department). Finally, for city officials reports are filed with the City Clerk or City Administrative Officer.

C. LOBBYISTS

Reporting requirements vary considerably between Federal and state governments and from state to state. Lobbyists at the Federal level are listed four times a year in the Congressional Directory. The listing also indicates employers. Check with your local library. Your Secretary of State (or statewide elections office) can furnish information regarding reporting requirements and offices where reports are to be filed.

In California, persons or organizations seeking to influence legislation or administrative actions and who spend more than \$2,500 per calendar quarter for such activities are required to make very extensive reports to the California Secretary of State. Lobbyists and employers of lobbyists register when such activity is initiated using Form 600 and Form 600A respectively. Separate reports of expenditures and sources of funds are required each calendar quarter. Finally, a notice of termination is required when the lobbyist activity is ended. Lobbyist activity reports can be viewed by the public only in Sacramento at the following office.

California Secretary of State
Political Reform Division
1230 J St.
Sacramento, CA 95814
(916) 322-4880

D. BIOGRAPHICAL INFORMATION REGARDING PUBLIC OFFICIALS

The single most complete source of basic biographical data is found in

Who's Who in American Politics, Annual
R.R. Bowker Company
1180 Avenue of the Americas
New York, N.Y. 10036

Information regarding members of Congress can be found in the publication Congressional Directory. This is available in many libraries.

Finally, for California state officials, some information is available in the California Blue Book.

It is always a good idea to contact the public affairs officer or public information officer of the agency that you are interested in. Frequently, information packets of biographical materials are available upon request.

Appendix A The Freedom of Information Act

This law was passed by Congress to insure that public records documents in the files of Federal agencies be made available to U.S. residents. It applies only to documents held by U.S. government agencies. It does not apply to state government or local government agencies.

A copy of the Freedom of Information Act is printed in the U.S. Government Manual (see Chapter 2, page 51 of this guidebook). The full text spells out detailed procedures and timetables that Federal agencies must follow in making documents available. It also clarifies exceptions, such as personnel and medical files "...the disclosure of which would constitute a clearly unwarranted invasion of personal privacy."

The bulk of documents disclosed under FOIA have been materials relating to business and commerce, particularly files sought by a company that might reveal aspects of operations of competitors. For this reason, a section of the Act exempts from disclosure "...trade secrets and commercial or financial information obtained from a person and privileged or confidential."

The most important clause in the Act is the establishment of a strict timetable for government agencies to respond to requests for disclosure. Penalties, including imprisonment, for failure to comply are also spelled out. The timetable provides for

- i. a determination within ten working days from the receipt of a request as to how the agency will respond and a requirement that the agency immediately notify the person making the request of the determination and the reason therefor;
- ii. the right to appeal the agency's determination by the person making the request and requiring the agency to respond to the appeal within twenty working days after receiving it.

Government agencies have officials who specialize in responding to appeals and who routinely provide explanations for determinations made by an agency.

In all requests made under FOIA it is important to cite the full number of the U.S. Code to which you refer. The Act itself is known as 5USC552 meaning that it is section 552 of the Title 5 of the United States Codes. This title covers the administrative procedures of the Federal government.

Appendix B The California Public Records Act

Many states have enacted legislation designed to guarantee the right of the public to have access to state and local government records (as distinct from Federal government records). In California, the state legislature passed the California Public Records Act (in 1968). This law applies to state government and local government records. It does not apply to Federal records.

The main point of the Act is embodied in Section 6253 of the California Government Code.

"6253. Public records open to inspection during office hours. Right to inspect: Adoption of procedures. Public records are open to inspection at all times during the office hours of the state or local agency and every citizen has a right to inspect any public record, except as hereafter provided. Every agency may adopt regulations stating the procedures to be followed when making its records available in accordance with this section."

The terms used in this section are carefully defined in Section 6252 of the California Government Code. The most important definition is

"(d) 'Public records' includes any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics."

Quite a few public records remain confidential. In nearly all cases this is because the record's disclosure would constitute an invasion of the right to individual privacy. For example, the names and addresses of public high school students are protected from disclosure. Those records specifically protected from disclosure are explicitly described in the Act.

The major shortcoming of the California Public Records Act is that it does not establish time limits for the response of public officials to requests for inspection of government documents. In this respect the Federal Freedom of Information Act is more useful. However, the Federal law applies only to records of U.S. government agencies. Thus, there is no fixed time limit for the response of state and local agencies to requests for data.

The Act provides that any person may receive a copy of any identifiable public record subject to disclosure. Obviously, this will be at the expense of the party making the request. Be sure to get an estimate of costs before ordering copies.

Appendix C How to Write a Freedom of Information Act Request

A Freedom of Information Act request to inspect documents must be directed to a Federal government employee. In addition, it should cite, in writing, the statutory authority using standard reference notation (see below). Your request should be as specific as possible in describing the records being requested. You should ask for an estimate of costs for the requested materials, if you wish to have copies made for your own use. Finally, be sure to make a copy of your letter of request for future use if an appeal is necessary.

It is a good idea to be sure that the materials in which you are interested are located in the office to which your request is directed. Try to determine the precise form number (if any), date of the document or other identifying feature. This information will help the person receiving the request to determine what documents you are after.

An example of an FOIA request is shown below

Mr. B.A. Blusteroni
County Director
U.S. Department of Agriculture
1001 Arbor Ave.
Wooded Valley, CA

Dear Mr. Blusteroni,

Pursuant to 5USC552 and regulations for enforcement I hereby request that the following public records be made available to me for inspection:

Please furnish me with an estimate of the cost involved.

Sincerely,

The agency has ten working days from receipt of the request to respond. If you are not satisfied with the response you should immediately appeal. Your letter of appeal should restate the original request and should indicate why you were not satisfied with the earlier response. The agency has twenty working days from receipt of the appeal to respond.

Appendix D Financial Schedules Included in Form 10-K Reports

- I. Marketable Securities. Other security investments.
- II. Amounts due from directors, officers and principal holders of equity securities.
- III. Investments in securities of affiliates.
- IV. Indebtedness of affiliates.
- V. Property, plant and equipment.
- VI. Indebtedness.
- VII. Reserves for depreciation, depletion and amortization of property, plant and equipment.
- VIII. Intangible assets.
- IX. Reserves for depreciation and amortization of intangible assets.
- X. Bonds, mortgages and similar debt.
- XI. Indebtedness to affiliates.
- XII. Guarantees of securities of other issuers.
- XIII. Reserves.
- XIV. Capital shares.
- XV. Warrants or rights.
- XVI. Other securities.
- XVII. Supplementary profit and loss information.
- XVIII. Income from dividends.

Appendix E Special Resources:

Books, Libraries, People, Organizations

Books and pamphlets

1. Raising Hell, Dan Noyes, Center for Investigative Reporting, 1419 Broadway, Room 600, Oakland, CA 94612. (415) 835-8525
This short but highly readable pamphlet is a good overview of how to go about investigative research. Sections on corporations, individuals, etc.
2. Business Information Sources, Lorna M. Daniells, University of California Press, Berkeley, CA. 1976.
A comprehensive guide to reference sources and basic data in the subject areas of business and economics. Widely regarded as the best book in the field. Ms. Daniells is head of the Reference Department of the Graduate School of Business Administration at Harvard University. The first three chapter headings are
 1. Methods of Locating Facts.
 2. Basic Time Saving Sources.
 3. Locating Information on Companies, Individuals and Organizations.
3. Encyclopedia of Business Information Sources, P. Wasserman, C. Georgi, J. Way, Gale Research Company, Book Tower, Detroit, MI 48226. 1980.
A detailed listing of primary subjects of interest, with a record of sourcebooks, periodicals, organizations, directories, handbooks, bibliographies, on-line data bases, and other sources of information on each topic. 1,215 specific subjects are indexed.
4. Financial and Economic Journalism, D. Kirsch, New York University Press, New York, N.Y. 1978.
Documentary Supplement to Financial and Economic Journalism, same author
An excellent guide to business information sources. Contains the most detailed and clear explanation of forms filed with the SEC to be found in print. The Documentary Supplement includes copies of all significant forms filed with the SEC.
5. Investigative Reporting, D. Anderson and P. Benjaminson, Indiana University Press, Bloomington, IN. 1976.
A text used in journalism classes. This book has an excellent section on Records and Sources. Provides a useful guide to court records and other types of public records documents.
6. How to Read a Financial Report, J.A. Tracy, J. Wiley and Sons, New York, N.Y. 1980.
An easy to follow, step-by-step guide to reading modern financial reports. Includes examples from representative reports to illustrate each major topic.

Libraries

Major libraries in various parts of the United States will have specialized collections of business and related materials. Graduate schools of business administration usually have excellent resources of this type as well. Finally, some state governments operate libraries in the state capitol to serve the needs of state officials. These latter collections usually include collections of reference materials of interest to persons doing public records investigation.

Three of the best libraries of this type in California are indicated below. One of each of the categories described above is listed.

1. California State Library, 9th and Capitol Mall, Sacramento.
2. San Francisco Public Library, Business Branch, 530 Kearny St., San Francisco.
3. UCLA School of Management, UCLA Main Campus, Los Angeles.

People

Certain individuals have become quite knowledgeable and experienced in investigative research as it relates to community action. In California, the range of talents

is represented by

1. G. William Domhoff, University of California, Santa Cruz, CA 95064
(408) 429-2195
Bill is a specialist in the area of power structure research, primarily corporate and related elites. If it is in print, chances are that Bill will know about it.
2. Isao Fujimoto, Department of Applied Behavioral Sciences, University of California, Davis, CA 95616. (916) 752-1805
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3. Dan Noyes, Center for Investigative Reporting, 1419 Broadway, Room 600, Oakland, CA 94612. (415) 835-8525
Dan wrote Raising Hell and is constantly engaged in the fine art of muckraking.

Organizations

There are a number of organizations that are actively involved in community based investigative research. Several of the best are listed below.

1. The Data Center, 464 19th St., Oakland, CA 94612. (415) 835-4692
You need to know about United Brands' labor policies in Central America, or what relationship Castle & Cook had with various governments in the Pacific. Where do you go? One excellent facility set up to help you track down that kind of information is the Data Center in Oakland, CA. The Data Center features an excellent library open to members of the Center and the general public in the Bay Area.
For those who live far way from Oakland, the Data Center offers research services in two forms: searches of files on specific information requests and corporation profiles. For \$10 an hour and 10¢ per page, professional researchers at the Data Center will search their extensive files on government organizations, labor unions, and more than 5,000 corporations. If what you need is a more in-depth look at one particular company, the Data Center staff will send along a corporate profile, including annual reports and information gleaned from the ten leading English language newspapers in the world, the business press, alternative publications and labor publications. Each profile will contain information on the history, management structure, consumer relations, and labor relations of the company profiled. The charge for a corporate profile is \$100, plus 10¢ per page.
2. Highlander Research and Education Center, Route 3, Box 370, New Market, TN 37820. (615) 933-3443
Since 1932 Highlander has served rural communities in the Appalachian region and adjoining southern states. Educational workshops are held on a wide range of issues. Recently, black lung victims from the coalfields met with cotton millhands to discuss brown lung disease, how to organize and how to gain compensation. While the residential workshop is the heart of Highlander's educational idea, of equal importance is the work carried out by the staff in the region. Staff members travel throughout the area developing educational programs and workshops on labor education, music and culture, leadership development, health issues and methods of using research for action.
3. Corporate Data Exchange, 198 Broadway, Room 707, New York, N.Y. 10038. (212) 962-2980
Specializes in determining stock ownership of major corporations and related matters. Published reports include stock ownership directories on Transportation Companies; Agribusiness Companies; Banking & Finance Companies; Energy Companies; Social Audit of Pension Fund Investments; U.S. Bank Loans to South Africa.
4. Southwest Information and Research Center, P.O. Box 4524, Albuquerque, NM 87106 (505) 242-4766 Publishes The Workbook, a sourcebook of information for

INDEX

Agent for Service of Process	14, 63	Bureau of Land Management	
see corporations		see U.S. Department of the Interior	
Agricultural Stabilizations and Conservation Service	85	<u>Business Information Sources</u>	107
alphabetical index	5, 23, 40	business licenses	69, 81
see Table I-2 (p. 25)		businesses, types of	12, <u>70</u>
Table I-6 (p. 41)		see corporations; partnerships;	
see also Assessor's Index		sole proprietorship	
air line companies		<u>California Blue Book</u>	<u>52, 102</u>
-intrastate	<u>65, 91</u>	California Health Facilities Commission	18
see Public Utilities Commission		see Figure 10 (p. 19)	
-disclosure	82	see also public hospitals	
annual reports	8, 40, 75	California Public Record Act	104
see Figure 5 (p. 10)		California State Library	107
Figure 6 (p. 11)		campaign disclosure statements	<u>99</u>
APN		-U.S. Representatives	99
see Assessor's Parcel Number		cemetery corporation	84
Arizona Corporation Commission	1, 12	Center for Investigative Reporting	
see Secretary of State		see <u>Raising Hell</u>	
Articles of Incorporation	16	chattel mortgage	67, 85
see Figure 9 (p. 17)		see County Recorder	
see also Corporations		charitable organizations	<u>84</u>
Assessor (County)	2, 23, 24	City Clerk	69, <u>101</u>
45, <u>68, 93, 95</u>		city elections	100, <u>101</u>
Assessor's Index	3, 5, 7, 23, 45	Civil Aeronautics Board	82
see Figures 1 - 3 (pp. 4 - 6)		collateral	
Figures 26 - 28 (pp. 46 - 48)		see chattel mortgages	
-alphabetical index	5, 23, 40, 69	see Farmers (commodities)	
see Table I-2 (p. 25)		see mortgage bonds	
Table I-6 (p. 41)		see deed of trust	
-roll of secured property	7, 45, <u>68</u>	Commission of Corporations	1, 12
see Table I-7 (p. 49)		see Secretary of State	
-situs index	7, 69	see Department of Corporations	
see also Assessor's Parcel Number		Committee on Standards of Official Conduct	101
Assessor's Parcel Number (APN)	2, 3, <u>45</u>	Community Reinvestment Act (Federal)	83
<u>69, 96</u>		Comptroller of the Currency (national)	83
see Table I-1 (p. 3)		<u>Congressional Directory</u>	102
Figures 1 - 3 (pp. 4-6)		Corporate Data Exchange	108
Figures 26 - 28 (pp. 46-48)		Corporation Commission	1, 12
-how to read	45	see Secretary of State	
associates	23, 68	corporations	<u>12, 13, 14</u>
see also partnerships		16, 33, <u>40-41, 70</u>	
Assumed Business Name		see Table III-1 (p. 71)	
see Fictitious Business Name		-Agent for Service of Process	14, 63
Banks (commercial)		-Articles of Incorporation	16, 64, 67
-national	83	see Figure 9 (p. 17)	
-state	83	-boards of directors	72
Banking, Department of (state)	83	-date of incorporation	14
beneficiary	94	-directors of	73
biographical data	38-40	-foreign (out of state)	14, <u>41, 47</u>
see Figure 22 (p. 39)		Statement and Designation by	
-public officials	102	see Figure 25 (p. 44)	
block number	96	see Figure 29 (p. 50)	
Board of Supervisors		-information request (counter	
records of	67	service) Secretary of State	13-16
bonds	33	see Figure 8 (p. 15)	
-bond portfolio		-investigating	<u>72-76</u>
see Figure 21 (p. 37)		see also U.S. Securities and	
broadcast companies		Exchange Commission	
see Federal Communications Commission		see also The Data Center	
Bureau of Regulatory Agencies (state)	1, 12		

corporations		<u>Documentary Supplement to Financial and Economic Journalism</u>	107
-liabilities	72	documentary transfer tax	94
-names	70	doing business as (dba)	
-nonprofit	<u>16, 18</u>	see Fictitious Business Name	
-number	14	Domhoff, G. William	108
-officers and directors (statement of)	12, 14, 63	<u>Dun and Bradstreet Million Dollar Directory</u>	73
see Figure 7 (p. 13)		educational institutions	84
-out of state		elected officials	99
see corporations, foreign		financial disclosure	101
-private	64	elections	68
see Department of Corporations		supervision of (county)	68
-profiles		city	69
see The Data Center		<u>Encyclopedia of Business Information Sources</u>	107
-public		Fair Political Practices Commission	101
-regulation of	34, <u>53, 64-65</u>	Farm land owners	
see Figures 19-20 (pp. 35-36)		-domestic	86
see also U.S. Securities and Exchange Commission		-foreign	<u>86-88</u>
see Corporations, Department of		Farmers	<u>84-88</u>
-state of incorporation	14, 63, 73	-commodity collaterals	85
-status	14, 63, 74	farmworkers	1, 30-33, 49
-subsidiaries	33, 54, 56, <u>74</u>	-cooperatives	7
see Figure 18 (p. 34)		Federal agencies	
see <u>Moody's Investors Services</u>		for listing, see <u>U.S. Government Manual</u>	
see <u>Directory of Corporate Affiliations</u>		Federal Communications Commission	<u>61, 84, 91</u>
-taxes	72	Federal Deposit Insurance Corp. (FDIC)	83
Corporations, Department of	63, <u>64-65, 75</u>	Federal Energy Regulatory Commission (FERC)	<u>56, 61, 91</u>
-index section	<u>75</u>	Fictitious Business Name	23, 40, <u>68, 77, 78</u>
see also Secretary of State		see Figure 33 (p. 79)	
County Assessor	2, 23, 24	see also partnerships	
	45, <u>68, 93, 95</u>	see also sole proprietorships	
see also Assessor		file number	68
county central committee	100	Finance, Department of (state)	38
County Clerk	14, <u>67</u>	<u>Financial and Economic Journalism</u>	107
elections department	101	financial disclosure (public officials)	101
County Recorder	23, 24, 25	financial reports	16, 18
	30, <u>66, 93</u>	see Figures 10-13 (pp. 19-22)	
-General Index (Grantors, Grantees)	25, 30, 78	Foreign Investment and Disclosure Act	<u>86</u>
-Official Records (O.R.)	25, 30	Foundation Center, The	88
-Statement of Partnership	30	Foundations	88
-documentary transfer tax	94	franchise taxes	14, 72
Court Records	68	Freedom of Information Act	103
Data Center, The	108	-how to write a request	105
date of incorporation	14	Fujimoto, Isao	108
see corporations		gas pipe line companies	
deed reference	24, 40, <u>69</u>	see Interstate Commerce Commission	
see Grant Deeds		General Index (Grant Deeds)	25, 93
Deed of Trust	40, 66, <u>94-95, 98</u>	see Tables I-3 and I-4 (p. 27)	
see Figure 24 (p. 43)		see also County Recorder	
-legal description of real property		Grantors/Grantees	
<u>Directory of Companies Required to File</u>		Grant Deeds	23, 24, 40
Annual Reports with the SEC	<u>54, 74</u>		93, <u>94, 95</u>
<u>Directory of Corporate Affiliations</u>	<u>54, 74</u>	see Figure 15 (p. 26)	
Disclosure, Inc.	52	see Figure 23 (p. 42)	
see U.S. Securities and Exchange Commission		-legal description of property	<u>95</u>
disclosure law	52-53, 76, 82-92		
see U.S. Securities and Exchange Commission			

-documentary transfer tax	94	mineral rights	95
see also County Recorder		see County Assessor	
Grantee	25, <u>67</u> , 93	see County Recorder	
see Table I-4 (p. 27)	<u>95</u> , 97	Moody's Investors Services	33
see also Grant Deeds		see Figure 18 (p. 34)	
Grantor	25, 30, 41	- <u>Moody's Public Utilities Manual</u>	33
see also Grant Deeds	<u>67</u> , 93, 95, 97	- <u>Moody's Manuals</u>	<u>73</u>
Grazing Permits		mortgage bonds	33, <u>94</u>
see livestock grazing permits		see bonds	
		see Deeds of Trust	
Highlander Research and Education Center	108	mortgages	<u>94</u>
Hill-Burton Act grants	18	multi-county elections	100
see hospitals		newspaper	89
homeowners exemption	95	see Figure 36 (p. 90)	
hospitals	18, 84	non-profit corporations	16, 18
<u>How to Read a Financial Statement</u>	107	see corporations	
		Notice of Issuance	64
Index to Map Books		Noyes, Dan	107, <u>108</u>
see Assessor's Index to Map Books		nuclear power plants (financing)	33-38
see Assessor's Parcel Number		Office of Public Records	100
Insurance, Department of (state)	30, <u>65</u>	Office of Records and Registration	100
see Table I-5 (p. 32)		Official Records (O.R.)	25, 30
see insurance companies		see County Recorder	
insurance companies	30, <u>65</u> , 88	partnerships	12, 23, 28
-regulation	<u>30</u> , <u>65</u>	see Table III-1 (p. 71)	30, 41, <u>76-78</u>
see Table I-5 (p. 32)		-Fictitious Business Names	23, 40, 76
Interstate Commerce Commission	<u>61</u> , 89, 91	see Figure 33 (p. 79)	
-forms filed with	62	-general	<u>76</u>
<u>Investigative Reporting</u>	107	-joint ventures	<u>76</u>
investments	33-38	-limited	54, 66, <u>76</u>
-regulation of	34	-limited, certificate of	<u>77</u>
see U.S. Securities and Exchange		see Figure 34 (p. 80)	
Commission		-Statement of Partnership	28, 30
-portfolios of public	36, 38	see Figure 16 (p. 29)	
see Figure 21 (p. 37)		see Figure 17 (p. 31)	
joint ventures		pension investments (public)	33
see partnerships		-portfolio of	36, 38
land ownership	40, 66	see Figure 21 (p. 37)	
see also Assessor (County)		pipe lines (gas)	
-farm		see Interstate Commerce Commission	
see farm land ownership		political organizations	99
lease agreements	95	proprietorships	
legal descriptions of real property	95	see sole proprietorships	
see Figures 38 and 39 (p. 98)		public funds (investment)	33
see Grant Deed		public hospitals	7-29
see Deed of Trust		-regulation	18
libraries	107	see Figures 10-13 (pp. 19-22)	
licenses, business		public land	2, 88
see business licenses		-livestock grazing	88
limited partnerships		public officials	99
see partnerships, limited		-financial disclosure	101
livestock grazing permit holders	88	public records (access to)	
see U.S. Department of the Interior		see Freedom of Information Act (Federal)	
lobbyists	99, 102	see California Public Records Act	
lot number	96	Public Utilities Commission (state)	<u>65</u> , 91
map book	2, 3, 45, 96	Public Utility Holding Companies	<u>53</u> , 89
see Assessor's Parcel Number (APN)		public utility operating companies	
		-interstate electric and gas	90
		-intrastate	91

publishing companies	89	stocks	34, 38
see Figure 36 (p. 90)		-regulation of sale	34, <u>64-65</u>
radio		see Figures 19-20 (pp. 35-36)	
see Federal Communications Commission		see U.S. Securities and Exchange Commission	
railroads		see Department of Corporations	
see Interstate Commerce Commission		subdivision number	96
<u>Raising Hell</u>	107	see Figures 37-39 (pp. 97-98)	
real estate	<u>66, 91, 93</u>	Tax Assessment Office	2
-sales personnel and brokers	<u>66, 91</u>	see County Tax Assessor	
-subdividers	<u>66, 91</u>	telegraph companies	
see Real Estate, Department of		see Federal Communications Commission	
see County Recorder		telephone companies	
see County Assessor		see Federal Communications Commission	
Real Estate, Department of	<u>66, 91, 93</u>	-intrastate	
record of survey	96	see Public Utilities Commission	
<u>Reference Book: A Real Estate Study</u>		television	
<u>Manual and Guide</u>	93	see Federal Communications Commission	
Registered Investment Companies	<u>53</u>	title search	96
Registrar of Voters, San Francisco	101	township plat description	96
Registrar-Recorder of Los Angeles Co.	101	see Figures 37-39 (pp. 97-98)	
religious corporations	84	transportation	
research, publicly financed	38-49	see Interstate Commerce Commission	
Roll of Secured Property	7	trust companies	<u>83, 92</u>
see Assessor's Index		see U.S. Securities & Exchange Commission	
San Francisco Public Library, Business Branch	107	Trust Deed	
Secretary of State	1, <u>12, 13, 14, 16, 41</u>	see Deed of Trust	
<u>address</u>	<u>47, 62-64, 99, 101, 102</u>	trust departments (banks)	<u>83, 92</u>
-Commercial Filing Division	86	see U.S. Securities & Exchange Commission	
-Corporate Filing Division	41, <u>62-64</u>	see Comptroller of the Currency	
-lobbyists	102	trustee	94
-political reform division	<u>62, 99, 100</u>	trustor	94
section of land	96	trucking companies	
see Figure 37 (p. 97)		-interstate	<u>62, 91</u>
see Figures 38 and 39 (p. 98)		see Interstate Commerce Commission	
Securities and Exchange Commission		-intrastate	<u>65, 91, 92</u>
see U.S. Securities & Exchange Commission		see Public Utilities Commission	
situs index	7	UCLA School of Management	107
see Assessor's Index		Uniform Commercial Code (UCC)	67, 85
sole proprietorships	12	see Figure 35 (p. 87)	
see Table III-1 (p. 71)		universities	33, 38
see Fictitious Business Name	23, 40, 78	-investments, portfolio of	38
Southwest Information & Research Center	108	-Regents, University of California	
Standard & Poor's		-conflict of interest	38-49
<u>-Corporation Records, 6 vols.</u>	73	U.S. Department of the Interior	
<u>-Register of Corporations, Directors, and Executives, 3 vols.</u>	73	-Bureau of Land Management	89
state agencies		U.S. Forest Service	88
see <u>California Blue Book</u>		<u>United States Government Manual</u>	<u>51, 103</u>
state elections	100	U.S. Securities and Exchange Commission (SEC)	34, <u>52-53, 74</u>
state of incorporation	14	see Figures 19-20 (pp. 35-36)	
see corporations		<u>-Directory of Companies Required to File with</u>	54
Statement of Fictitious Business Name		see also Disclosure, Inc.	
see Fictitious Business Name		-Form 10-K	55, <u>56, 74, 106</u>
Statement of Financial Interest	101	see Figures 30-32 (pp. 57-59)	
statement of officers	14	-forms filed with	
see corporations		see Table II-2 (p. 60)	
Statement of Partnership	28, 30, 41	-trust departments	83, 92
see Figure 16 (p. 29)		utilities	
see Figure 17 (p. 31)		see Federal Energy Regulatory Commission	
see partnerships		see Public Utility Commission	
		see Public Utility holding companies	
		see public utility operating companies	



MR. APPROPRIATE

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MR. APPROPRIATE DOES HIS HOMEWORK



SO HE DECIDED TO STAY HOME WHERE HE KNEW HE HAD HALFA CHANCE OF ACCOMPLISHING SOMETHING.

ONE SATURDAY AT THE FOOD CO-OP WHILE FRED WAS SHOPPING...

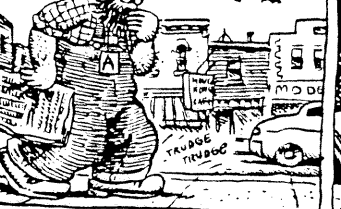
I GOT MORE VEGETABLES THEN I KNOW WHAT T'D DO WITH. SURE YUH CANT BUY ANY MORE?



MR. APPROPRIATE THINKS IT OVER...

THIS DOESN'T MAKE SENSE! THIS TOWN NEEDS A FARMERS' MARKET BUT SOME PEOPLE DON'T WANT IT... WHY DON'T THEY??

GUESS I'LL HAVE TO DO SOME HOMEWORK... SIGH...



NEXT HE HAS TO FIND OUT WHO HIS ALLIES ARE...

'HAT, I'D LIKE YOU TO GET ALL YOUR FRIENDS TOGETHER FOR A MEETING TONIGHT... WE GOTTA FIGHT THESE FAT BUSINESS MEN!



FRED FRIZBEE WAS A PLASTICS FACTORY CLERK DROP-OUT WHO HAD UNDERGONE A MIRACULOUS TRANSFORMATION INTO MR. APPROPRIATE!



FRED GOES TO THE CITY PARK TO PONDER OLD HAT'S PROBLEM... HERE WAS A SMALL FARMER GROWING GOOD FRESH FOOD BUT NOT ABLE TO SELL IT...

HMM...IN THE OLD DAYS THEY HAD THESE OPEN FARMER'S MARKETS IN EVERY TOWN...I WONDER...HMM... THIS CITY PARK...



HE GOES TO THE CHAMBER OF COMMERCE AND LOOKS UP IT'S BOARD OF DIRECTORS...

AH-HM! HERE'S SAM SLUSHBOTTOM, THE GUY WITH THE BIG CIGAR... HE'S PRESIDENT OF THE SAVINGS & LOAN... AND HERE'S WALLY WHITEWASH... HE'S IN INSURANCE... AND HERE'S M-HMM... THE PRESIDENT OF THE AGRI-BIZ COMMITTEE - BERTRAM BLUSTEROONI... WONDER WHICH ONE HE IS!



AT THE MEETING...

LET'S ALL WRITE LETTERS TO THE PAPER AN' GO TO TH' CITY COUNCIL MEETING!



BUT THEN HE CAME UP AGAINST THE POWERS THAT BE! FIRST HE LOST A BATTLE WITH REDDY KILLOWATT OVER A LOCAL COAL-FIRED POWER PLANT... STRIKE ONE!



VISION BEGINS TO FORM IN MR. A'S MIND. HE GATHERS HIS FRIENDS TOGETHER AND THEY APPEAR AT THE NEXT CITY COUNCIL MEETING...

...A SATURDAY MORNING MARKET WOULD HELP FAMILY FARMERS AND PROVIDE FRESH FOOD FOR THE PEOPLE AT A REASONABLE PRICE...



WHEN HE GOES TO THE COUNTY ASSESSORS' OFFICE...

PHEN! BERT BLUSTEROONI IS QUITE THE BIG SHOT... THE BLUSTEROONI FAMILY OWNS THOUSANDS OF ACRES... THEY'RE WORTH MILLIONS!!

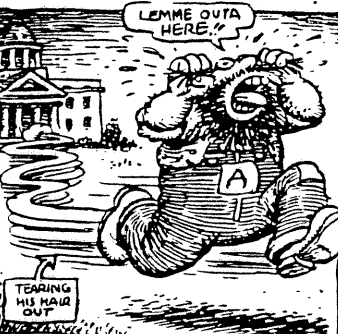


AND NEXT WEEK AT THE CITY COUNCIL MEETING...

THIS FARMERS' MARKET THING SHOULD NOT BE ALLOWED IN THE CITY PARK... THAT WOULD BE A GOVERNMENT SUBSIDY TO PEOPLE IN DIRECT COMPETITION WITH PRIVATE ENTERPRISE! (HAMEL MINE...)



WHEN HE TRIED POLITICS. IN A SPECTACULAR UPSET HE BEAT REPUBLICAN SAM FLOTSAN FOR THE STATE ASSEMBLY, BUT THE CAPITOL WASN'T READY FOR MR. A... STRIKE TWO!



THEY'RE SAYING... THAT FARMERS' MARKETS SELL SPOILED FOOD AND DEAL IN STOLEN GOODS! WHERE'D THEY GET THOSE IDEAS!

YOU'VE HAD IT, FRED! THE CHAMBER OF COMMERCE RUNS THIS TOWN! IF THEY SAY NO, FERGIT IT!



NEXT MR. APPROPRIATE IS AT THE AGRICULTURE STABILIZATION OFFICE!

ACCORDING TO THESE RECORDS BLUSTEROONI RECEIVED THOUSANDS OF FREE DOLLARS FROM THE TAXPAYERS AS A RICE-SUPPORT SUBSIDY FOR THE RICE HE GREW!!



AND SO...

WHEN BOY!! SURE GLAD I DID MY HOMEWORK THIS TIME AROUND!



BASED ON THE TRUE-LIFE STORY OF THE BATTLE OF THE WOODLAND FARMERS MARKET