



Los Angeles City Ethics Commission

May 10, 2012

The Honorable City Council
c/o June Lagmay, City Clerk
200 North Spring Street
City Hall – 3rd Floor
Los Angeles CA 90012

Re: **Council File Number 12-0510**
Appointment of Ralph Fertig to the City Ethics Commission

FOR COUNCIL CONSIDERATION

Dear Councilmembers:

On April 5, 2012, the City Controller transmitted to the City Clerk a letter indicating her appointment of Mr. Ralph Fertig to the City Ethics Commission. The Ethics Commission received Mr. Fertig's pre-confirmation statement of economic interests (SEI) on May 4, 2012, and this letter is provided for your consideration as part of the confirmation process. A copy of this letter is also being provided to Mr. Fertig to help him avoid potential conflicts of interests that may arise in the course of his tenure as a member of the City Ethics Commission.

Mr. Fertig reports on his SEI income for his position as a professor at the University of Southern California. He also reports an interest in real property and a gift of travel from Harvard University. In addition, Mr. Fertig reports that he holds several investment interests, which are identified in the attached document. If a matter involving any of these interests comes before the City Ethics Commission, Mr. Fertig should, before acting, seek the advice of the City Attorney regarding whether he should disqualify himself. We are unable to assess if or how frequently Mr. Fertig would be in a position of having to recuse himself.

Interests disclosed on an SEI are not the only interests that can give rise to a conflict of interests. For example, state law may require recusal by a board or commission member due to certain business activities of the clients of that member's employer. Additionally, recusal may be required under City Charter § 222, which states that the City Attorney may provide a written opinion concerning the obligation of a City official to refrain from acting on a matter when it may violate state law or when action may not be in the public interest.

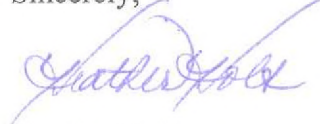
If a matter raises a potential conflict of interests, we encourage Mr. Fertig to seek the advice of the City Attorney before acting. If Mr. Fertig is required to disqualify himself from acting on a matter, Los Angeles Municipal Code § 49.5.6(J) and Executive Directive 2005-1 require him to file the enclosed Recusal Notification Form (CEC Form 51) with the Ethics Commission and the Mayor's office. If a board or commission member is disqualified from acting on three or more agenda items in a year because of a conflict caused by the same interest,

the Ethics Commission is required by City Charter § 707 to review the conflict. If the Ethics Commission determines that the member has a significant and continuing conflict of interests, it must order divestment of the interest that is causing the conflict.

In addition to reviewing a nominee's SEI, the Ethics Commission also verifies that the nominee is a registered City voter. We have received a completed Residence Verification Form for Mr. Fertig, which affirms that he is registered to vote in the City.

If you have questions, please feel free to contact Ethics Program Manager Shannon Prior at (213) 978-1960.

Sincerely,



Heather Holt
Executive Director

Attachments

cc: City Controller Wendy Greuel
Mr. Ralph Fertig

Ralph Fertig Investments
Pre-confirmation Form 700
May 2012

Amazon.com Inc.
Avago Technologies Ltd.
Chart Industries
CSX Corp.
Fedex Corp.
General Electric Co.
Google Inc.
Graham Corp.
Halliburton Co.
Dow Jones U.S. Healthcare
Nasdaq Biotechnology Index.
JP Morgan Chase & Co.
Molycorp Inc.
Morgan Stanley Trust PFD
Sector SPDR Trust SHS Ben Int. Financial
Two Harbors Investment Corp.
Express Scripts Inc.
Freeport McMoran Copper & Gold
Kohlberg Capital Corp.
Teck Resources Ltd.
Verifone Systems Inc.
Vmware
Acme Packet Inc.
Cummins Inc.
Apple Computers Inc.
Enterprise Products Partners
SPDR Barclay Convertible Bond
SPDR Barclay Capital High Yield
MFS Intermediate Income Trust
Visa Inc.
Kayne Anderson MLD
Exxon Mobile Corp.
Kinder Morgan Energy
Agco Corp.

Ciena Corp.
Cliffs Natural Resources
Corning Inc.
CYS Investments
First Solar Inc.
Foster Wheeler Inc.
Invesco Mortgages Ltd.
Juniper Networks
Micron Technologies
Regal Entertainment
Teekay Tankers Ltd.
Temple-Inland Inc.
Terra Nitrogen
Teva Pharmaceuticals
Weyerhaeuser
Blackrock Muniyield CA Quality Fund Inc.
iShares High Yield Bond Fund
iShares Corporate Grade Bond Fund