



Bill Proclaims Intention To Require Reporting Of Compensation By Publicly Traded Corporations

By Keith Paul Bishop on February 29, 2012

In 2002, the California legislature enacted the Corporate Disclosure Act to require publicly traded corporations and publicly traded foreign corporations qualified to transact intrastate business in California to file a statement of information with the California Secretary of State. Cal. Corp. Code §§ 1502.1 & 2117.1. For additional background on the CDA, see my article, *California Joins the Parade: The California Disclosure Act*, 16 Insights 21 (2002).

The Secretary of State has implemented an on-line search [tool](#) that allows the public to search and view these filings. Unfortunately, the information provided is a poor substitute for the information that these companies include in their filings with the Securities and Exchange Commission. Thus, the public is more likely to be misled than informed by the these California filings.

Rather than repeal this duplicative and decidedly unhelpful requirement, Senator Mark Leno has introduced legislation that signals an intent to expand it. Currently, [SB 1208](#), consists of only of the following section:

SECTION 1. It is the intent of the Legislature to enact legislation that would require publicly traded corporations to report to the Secretary of State all forms of compensation, including pensions and benefits from other types of employee benefit plans, to the five most highly compensated retired executive officers of the corporation.

It will be interesting to see what path this intention paves.

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