

Date: October 16, 2007  
Initiative No. 07-0051

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**CORPORATE CRIME. REPORTING OBLIGATIONS FOR EXECUTIVES AND MANAGERS. STATUTE.** Requires that executives and managers of corporations or limited liability companies report, in writing, any violation by company involving financial fraud, consumer protection, health and safety, environmental protection or labor. Establishes criminal penalties (jail up to one year and/or fine up to \$100,000) for failure to report within 15 days after actual knowledge of violation acquired. Defines manager as having both management authority and significant responsibility for an aspect of business. Defines actual knowledge as information that would convince a reasonable person in same situation that violation exists. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Probably minor local and state enforcement and prosecution costs, partly offset by increased fine revenue. (Initiative 07-0051.)