

FINANCIAL DISCLOSURE STATEMENTS –
Real Estate Owned by LLC

CAMBRIDGE ETHICS COMMISSION
C/O ROBERT S. COLLISON, ESQ.
311 HGH STREET
CAMBRIDGE. MD 21613

ADVISORY OPINION

OPINION 03-2012

HAVING MET ON APRIL 5, 2012, AND CONSIDERED THE REQUEST FOR AN ADVISORY OPINION BY C.L. RIPPONS AND HAVING CONSIDERED THE LEGAL OPINION OF ROBERT S. COLLISON, ESQ., COUNSEL FOR THE ETHICS COMMISSION,

AND MR. RIPPONS HAVING ASKED “WHEN COMPLETING SCHEDULE A, IS IT APPROPRIATE TO LIST THE PROPERTY INTEREST AS AN LLC OR MUST ALL SINGULAR PROPERTIES BE SPECIFIED?”

AND THE MEMBERS OF THE COMMISSION BEING OF THE OPINION THAT THIS REQUEST DEALS WITH THE REQUIREMENT OF ELECTED OFFICIALS AND CANDIDATES FOR ELECTIVE OFFICE TO FILE FINANCIAL STATEMENTS PURSUANT TO THE REQUIREMENTS OF SECTOIN 2-14 OF THE CODE OF THE CITY OF CAMBRIDGE;

THE CAMBRIDGE ETHICS COMMISSION BY UNANIMOUS VOTE HEREBY STATES THE FOLLOWING AS THE OPINION OF THE COMMISSION:

City code 2-14 Section (5) Financial disclosure —Local elected officials and candidates to be local elected officials addresses the requirements for local elected officials and candidates to be local elected officials with regard to filing financial

statements. Subsection (a) states that “This section applies to all local elected officials and candidates to be local elected officials.”

Subsection (e) (1) of Section 5- Contents of disclosure statement - deals with interests in real property and requires the following:

- a. A statement filed under this section shall include a schedule of all interests in real property wherever located.
- b. For each interest in real property, the schedule shall include:
 - A. The nature of the property and the location by street address, mailing address, or legal description of the property;
 - B. The nature and extent of the interest held, including any conditions and encumbrances on the interest;
 - C. The date when, the manner in which, and the identity of the person from whom the interest was acquired;
 - D. The nature and amount of the consideration given in exchange for the interest or, if acquired other than by purchase, the fair market value of the interest at the time acquired;
 - E. If any interest was transferred, in whole or in part, at any time during the reporting period, a description of the interest transferred, the nature and amount of the consideration received for the interest, and the identity of the person to whom the interest was transferred; and
 - F. The identity of any other person with an interest in the property.

Under the circumstances of the question presented, Mr. Rippons is required to disclose all of the real estate holdings of the LLC, if he owns an interest in the LLC, as well as those properties in his name or in joint names, as the Ordinance states that the financial statement "shall include a schedule of all interests in real property wherever located". In addition, under subparagraph F “The identity of any other person with an interest in the property” must be disclosed.

To do otherwise would allow a person to avoid disclosure of real estate ownership by holding it in the name of an LLC or some other entity and not as an individual.

The purpose of the financial disclosure statement is to make public the financial holdings of a person who would be an elected official and, therefore, would not allow shielding that information except as permitted by the Ordinance.

THE COMMISSION REQUESTS THE CLERK OF THE CITY OF CAMBRIDGE TO PLACE THIS OPINION ON THE WEBSITE OF THE CITY OF CAMBRIDGE AND MAKE COPIES AVAILABLE TO THE PUBLIC WHEN REQUESTED.

STEPHEN W. RIDEOUT, COMMISSIONER

ON BEHALF OF THE COMMISSION

April 5, 2012