



City of Chicago  
Eugene Sawyer, Acting Mayor

March 22, 1988

Board of Ethics  
Harriet McCullough  
Executive Director

[REDACTED]

Sol Brandzel  
Chair

Mary Milano  
Vice Chair

Case Number 88032.A

Rev. Don Benedict  
Margaret Carter  
Angeles Eames  
Rev. A. Patterson Jackson  
Marlene Rankin

Dear [REDACTED]

Suite 1320  
205 West Randolph Street  
Chicago, Illinois 60606  
(312) 744-9660

The Board of Ethics has reviewed your request for an advisory opinion to clarify the requirements of the Statement of Financial Interests.

In your telephone call of March 3, 1988 you asked whether a capital gain of over \$5,000.00 derived from the sale of shares of a publicly-owned corporation registered on a stock exchange pursuant to the Securities Exchange Act of 1934 must be disclosed under Question #3 on the Statement of Financial Interests. It is the opinion of the Board of Ethics that such a capital gain must be disclosed.

Please note that the terms "financial interest" and "capital assets" are not interchangeable. The term "financial interest" (defined in Section 26.2-1(k); attached) means any interest 1) from which the reporting individual receives more than \$2,500 per year; 2) that is worth \$5,000 or more; or 3) that represents more than 10% of a corporation or any legal entity. Some interests, however, are specifically excluded from this definition and need not be reported. For example, an ownership interest of less than 1% of the shares of a corporation that is registered on a securities exchange pursuant to the Securities Exchange Act of 1934<sup>1/</sup> is excluded from the term "financial interest". This exclusion does not, however, apply to the term "capital asset". You must disclose a capital gain of \$5,000 or more

1/ See Section 26.2-1(k)(b); attached.



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derived from the sale or exchange of corporate securities registered on a securities exchange in accordance with Question #3 on the Statement, despite the fact that they are not required to report either the value or identity of such shares under Question #6 which specifically refers to "financial interests".

Thank you for your inquiry. Should you have any further questions, please contact the Board at 744-9660.

Sincerely,

  
S. Brandzel  
Chairman

EC/[REDACTED]