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FOR IMMEDIATE RELEASE
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GOVERNOR BROWN APPROVES SEI LEGISLATION!

NetFile, the industry leader and pioneer in electronic filing and administration systems for Statements of Economic Interests (FPPC Form 700) and Campaign Disclosure (FPPC Forms 450,460,461,465,470,496, and 497) is pleased to announce Assembly Bill 2062 has been signed by the Governor and is now in effect.

This historic legislation allows local jurisdictions to have the option to eliminate the paper filed requirement for Statements of Economic Interests and replace it with an electronic form that meets the FPPC's electronic filing format. NetFile participated in the pilot program with one of the original four County jurisdictions. The pilot County using NetFile is the County of Merced. Attached is Merced's required report to the FPPC from last year touting all the benefits of adopting the electronic format provided by NetFile.

What this means to local jurisdictions:

- If you were part of the pilot project, business as usual. You are allowed to continue to electronically file your statements.
- If you were not part of the pilot project, you must get your e-filing system approved by the FPPC. The FPPC today responded to a NetFile inquiry saying they should have further information on this process in the next week or two.
- No software is currently approved (even if the software was involved in the pilot project). Don't believe anyone inferring software has been approved yet for agencies other than the pilot agencies.
- There are only 2 outside vendors today offering software for electronic filing of Statement of Economic Interests. NetFile's dominance in this arena continues with 25 local governments in CA using the NetFile solution with many more on the way. NetFile was the first to electronically file a Statement of Economic Interest form back in 2007 with the County of San Bernardino. Check out their public viewing portal at: <http://nf4.netfile.com/pub/?aid=SBC>

This legislation follows on the heels of the recently announced passage of AB2452 which allows a local jurisdiction to replace their paper filed campaign statements with electronic filings. NetFile is the ONLY provider of a system that meets the criteria of AB2452.

NetFile is a privately held corporation based in Mariposa, CA and was established in 1998. Currently NetFile has 25 local government clients in CA using the Campaign Disclosure System and 25 using the Statement of Economic Interests Disclosure System. NetFile is the originator and leader in e-filing and administration systems for both Campaign Disclosure and Statements of Economic Interests. All programming, sales, and support are based in California so all revenue supports local and state economies.

For more information contact Tom Diebert at (559) 434-2045 or diebert@netfile.com .



**BOARD OF SUPERVISORS
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Equal Opportunity Employer

September 15, 2011

Ms. Tara Stock
Legislative Analyst
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814

Dear Tara:

Provided is a report of Merced County's findings for its participation in the Electronic Filing Program for 2011 Year.

Background

Merced County did not participate in the electronic filing program until the 2011 Year, beginning in December of 2010 with the primary reason being a combination of staffing and resources to fund the E-Filing program. Merced County was interested and our General Services Department reviewed and talked to two vendors that had Electronic E-Filing platforms. It was decided to use NetFile for the following reasons:

- (1) NetFile had 15 other county and city governments in California using their system, which is an experienced vendor with this program.
- (2) NetFile did not require a dedicated IT resource for the project, it had a hosted platform which eliminated this need.
- (3) NetFile provided an extensive package covering administration, customer support and training.
- (4) NetFile's system allowed filers to use any computer type, to be used with many different browsers and this was a definite advantage to our customers/clients.
- (5) NetFile allows a filer to see their disclosure category information as well as Merced County's disclosure when logged into the filer application.

Merced County provided the opportunity to 234 of its annual Statement of Economic Interests filers the option to use the e-filing system. The results proved excellent with 174 filers choosing to electronically file their statement, meaning 74% of all Merced County filers chose to use the E-Filing system instead of turning in a wet signed document. *Merced County's Special Districts were exempt from the E-Filing option because we do not have updated email information for most districts and most do not have computer options.

Filer Experience

The filers were sent an introduction "e-mail blast" as the NetFile system called it which informed them of the upcoming filing deadline as well as instructions to use the secure E-Filing System. As a result, filings came in earlier this year vs. previous years. Once the Filer logged into the NetFile system, their conflict of interest disclosure category information was available, in addition to the County's information which ensured an accurate filing. The feedback from filers was positive with little to no complaints made.

Efficiencies and Savings

- Staff reduction in labor for training.
- Staff reduction in labor for Amendments filed.
- Automation of Filer notifications eliminated staff resources.
- Staff elimination in labor for sorting, copying and filing wet signed documents.
- Staff reduction in labor for easy document retrieval by staff in response to public requests.
- Staff reduction in labor for notifying filers and gathering paper filed documents, Liaison designation allows monitoring by each department and not COB.
- Liaison Filing education.
- Tools for Filer training.
- Filing status report provided for both staff and filing liaison

Since the Filers could file the Forms free of errors, Merced County had 75% of the filers electronically file their statements and the filings coming through were free of technical errors. It was a typical pattern for Merced County to send out Amendment Notifications for a significant amount of errors that were technical such as leaving out "position", or "jurisdiction" or forgetting to mark the box indicating "the schedules attached". NetFile Program has validation points when the filer creates the filings so these technical errors cannot be made by an electronic filer. So for example, when we would send out Amendments to the paper filings, the filer would not always respond on the first request, so unfortunately multiple requests would be required for the amendment to occur. It is estimated we have saved the County \$6,000 for not having to send out Amendment Letters on any of these 174 accurate filers for this annual filing period.

In addition, significant staff time has been reduced using the Electronic Filing System. By having the Electronic E-Filing System in place, staff did not need to receive, sort, copy or store the paper documents and this portion created an estimated savings to the County to be \$7,000. In addition, the NetFile Program allows the County to have an internal search site. When Merced County is ready to have the search site become public so that interested people can come to the County office and search, there is also a public portal system that automatically redacts filings for public display.

Part of the NetFile Program feature that is desirable to Merced County is that the system allows the Designated Liaison feature so that each department can monitor their status and have the ability to log into the Admin System to view the real time status of their department filers through the Filing Status Report. In addition, this Program included unlimited Staff Training and NetFile visited Merced County two times before the Annual Filing Period – for the Liaison and Filer Training Sessions, and this cost was included as part of the system. The material provided to users in the training were easy to use and understand; this was another cost saving feature to the County in both labor, staff and training.

Future Efficiencies and Savings

- Elimination of storage costs of offsite storage for filings.
- Reduction in filer errors with NetFile system keeping filers prior data.
- Staff reduction in labor for document retrieval for filer requests of previous filings
- When the County has a public site, there will be elimination of media requests for filings

It is anticipated there will be numerous efficiencies in the future in the areas of elimination of paper storage and offsite retention. And there will be a continued reduction in filer errors because the system retains the Filer's previous filings and data. And if the County chooses to use the free public search portal, it is expected to almost entirely eliminate media requests for filings.

Safety and Security

The Merced County Information Systems Department fully vetted the NetFile system. Interviews with NetFile were conducted as well as gathering other client information on their systems. NetFile's history with other local government filings and no history of safety or security issues, provided the information needed on the program operation. Merced County has not experienced any issues with the system during the duration of the project.

Conclusions and Recommendations

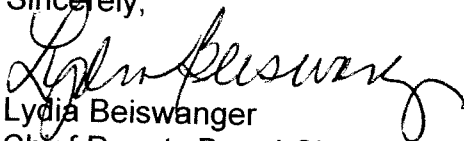
Merced County found the Electronic Filing system to be a great asset. The key points of success were:

- Cost savings versus dealing with wet signed documents.
- Informed filers - what their filing requirements were
- Elimination of Amendment letters for electronically filed documents
- Reduction of staff and filer training costs.
- Automation of letters.
- Filer data retention for future filings
- Free public viewing portal option, when Merced County moves forward.

Merced County was pleased with its user friendly program at the Clerk of the Board Staff level, Department Liaison level, and Filer level and it has many features that are easy to use and understand. Finally, having unlimited support provided the County with the extra insurance it needed to insure that the County needs would be met.

Merced County is of the opinion that the Electronic Filing Pilot Project was beneficial at whatever level an entity chooses and would benefit any organization should it be implemented. If you have any questions, feel free to contact me at (209) 385-7366.

Sincerely,



Lydia Beiswanger
Chief Deputy Board Clerk



Statement of Economic Interests Form 700

E-Filing & Admin System

Filing Forms 700 & 800 Series Made Simple and Secure

Make your hard to track paper filing system obsolete with the industry leading provider of an e-filing system for the FPPC Form 700. Don't be fooled by companies with large start up costs and overseas programming. NetFile is the founder and leader of this market space with several thousands of e-filings made over many years and our system has no startup costs at all!

Being an online system, the agency, filer, and the public can access the system 24/7/365. Since this is a shared platform, the system is affordable for even the smallest local government client. NetFile offers around the clock support that is 100% based in California - no need to worry about foreign based support! All revenue stays in CA - not outsourced like the competition!

A sampling of NetFile's system advantages are:

- Easy to use admin and filer interface
- Easily manage your filer's conflict of interest code
- Multiple levels of administration for admin and department level filing officers
- Database is kept current throughout the year - no more year-end panic!
- Public portal for 800 series form online requirement!
- Multiple position filings are fast and efficient with NetFile!
- Previous Form 700 Filer data populates new filing (huge time savings)!
- Works with any modern Windows PC, Mac, or Linux system with current browser
- NetFile is 100% based in CA (no outsourcing of work to other countries)

Features

Electronic Filing

Each Form 700 filer can self-register and is issued a unique Filer ID and password. A link from your website starts the filing process. The site is hosted by NetFile but looks just like your site. NetFile servers ensure fast and efficient filings. The submitted filing is validated to stop amendments from happening in the first place. Online video tutorials makes filing easy!

Agency Management Tool

The system acts as your repository of filers. Create the filers in the database just once. Notifications can be sent out via an e-mail blast to all filers or filers by department. Upon receipt of wet signature, just input unique key code in the system and run your filing status report for an up to date filing receipt list. From the report you can see exactly who has or has not filed. This report can be run by department or for your entire database.

SEI Form 700 E-Filing & Admin System Facts:

100% Based in CA

All services from NetFile are based in CA. No outsourcing of labor to foreign countries. All revenue stays right here.

Many Years Proven Success

NetFile's local government clients in California have been using this system for many years. NetFile has several County and City clients using this system with more on the way!

No Huge Upfront Costs

You pay a very reasonable ongoing fee for the system.

Staff Support and Training Included in Ongoing Fee

Being a hosted solution, you enjoy a low ongoing cost that includes both staff support and training at no additional cost to you! There is no limit to the amount of staff support or training provided to our clients.

No Long Term Commitment

All our contracts have 30-day out clauses (for any reason)!

Data is Safe and Secure

Backups are made nightly for all of you and your filer's data. The data is sent offsite to multiple locations to ensure the safety and integrity of your data.

No IT Involvement Necessary

All IT has to do is place a link on your website (that's it)!

NetFile Dedication

NetFile has been in business since 1998. Providing e-filing systems and software is all we do! There are no other distractions to keep us from servicing our clients to the fullest extent!

Document Viewing Portal - Public Site

You can choose to have your filers' documents shown over the internet in redacted form with your own redaction specifications. You can even narrow down which filers you would want to show. Public site meets FPPC's mandated 30-day online posting requirements for certain 800 series forms!

Document Viewing Portal - Private Site

The system also comes with a kiosk mode that allows you to show filings in unredacted form but only in your office. That way if someone walks in requesting to view a filing, just point them to one of your computers to search for the filings. They could print to your internal printer if they wanted to purchase a hard copy. No more pulling files and making copies wasting valuable staff time!

NetFile is Number One in California

NetFile is California's first internet based accounting, disclosure, and data management system. Our clients account for over half of all electronic disclosure document filings in the state of California. For our local government platform, there have been several thousand e-filings made for both our SEI Filing and admin system as well as our Campaign Disclosure filing and admin system.

Unparalleled Training and Technical Support

Our business model is based on an ongoing service with no long term contractual commitments from our clients. This guarantees you the best in training and support!

Contact Information:

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NOTE: NetFile also has an e-filing system for local government for campaign disclosure for the e-filing and admin of FPPC Forms 460, 496, 497 450, 461, 465 and 470.

