

## California Bill Would Require Notice To The Attorney General 6 Months Before Making Any Purchase From A Grocery Store!

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California Assemblymember Brian Maienschein has introduced a bill, [AB 853](#), that seemingly would impose a notification burden on just about anyone anywhere:

***No person shall acquire, directly or indirectly, any voting securities or assets of a retail grocery firm or retail drug firm unless both parties, or in the case of a tender offer, the acquiring party, gives written notice to the Attorney General in accordance with this title.***

I doubt that the author intended to require everyone who buys a can of peas from a grocery to give notice to the Attorney General, but the bill applies to the acquisition of *any* asset of a retail grocery firm. The bill is equally overbroad with respect to voting securities. Under a plain English reading, an investor in a mutual fund that acquires voting securities of a retail grocery firm or retail drug firm would be required to give notice to the Attorney General.

The bill also recognizes no geographical boundaries. It would apply to acquisitions without regard to the locations of either the acquiror or even the retail grocery or retail drug firm.

The required notice must be given six months before the acquisition, which strikes me as an inordinately long time to wait before buying a loaf of bread!

The bill authorizes the Attorney General to adopt regulations, but exempts those regulations from the Administrative Procedure Act. As a result, the public will have no rights under the APA to receive notice of, to comment on, or to seek judicial review of the validity of the proposed regulations. The proposed regulations will also not be subject to review by the Office of Administrative Law. Authorizing the Attorney General to engage in underground rulemaking obfuscates the process, diminishes accountability and opens the door to the possibility of backroom deals with influential interest groups.

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