

# Regulatory Alert

## California Diversity Disclosure Law – Optima Compliance Support

### OVERVIEW

- California enacted the California Fair Investment Practices by Venture Capital Companies Law (the “**California Diversity Disclosure Law**”), effective April 1, 2026. This will require **venture capital firms** (and potentially certain growth equity, private equity and corporate strategic investors) with a **broad California nexus** to register with the DFPI starting March 1, 2026, and pay a \$175 annual fee.
- Covered entities must distribute a **voluntary demographic survey** to founders of portfolio companies in which they obtained management rights during 2025.
- Aggregated survey results must be reported to the DFPI by April 1, 2026, with the aim of publicly disclosing the percentage of investments in companies led by diverse founders (data is anonymized).
- Non-compliance may result in fines of \$5,000 per day, following an expected 60-day cure period, and reporting will be required annually thereafter.

*More information regarding the regulatory requirements of the California Diversity Disclosure Law is available in [Optima’s Full Alert distributed on February 10, 2026](#).*

### OPTIMA PARTNERS SCOPE OF SERVICE

Optima tailors its services to the specific needs of each client. Our support includes:

- Assessment of California nexus to determine applicability of filing requirements.
- Analysis of funds to identify in-scope portfolio companies and review of management rights provisions to confirm reporting applicability.
- Preparation/distribution of founder surveys and collection/tracking of responses.
- Aggregation of survey data in accordance with DFPI guidance.
- DFPI portal registration and payment of fees.
- Submission of filing in the DFPI portal.
- Advise on the establishment of an ongoing annual compliance framework to ensure future reporting obligations are satisfied in a timely and consistent manner.

### NEXT STEPS

We are available to discuss applicability, scoping, and implementation timelines in advance of the April 2026 reporting deadline. For further information, please contact [Shannon.Horton@Optima-Partners.com](mailto:Shannon.Horton@Optima-Partners.com) or [Anna.Povinelli@Optima-Partners.com](mailto:Anna.Povinelli@Optima-Partners.com).