



Corrective Education Company

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**SUBJECT: CEC LEGAL REVIEW - CALIFORNIA PROPOSITION 47**

To Our Customers:

California's recently passed Prop. 47, "Criminal Sentences Misdemeanor Penalties Initiative Statute," specifically reclassifying certain lower-level felonies as misdemeanors, was passed as a method to address budget concerns in the California Penal system by reducing prison and general criminal justice system overcrowding. Most of the concerns from groups opposing the proposition (such as the California Police Chiefs Association) center on issues NOT related to shoplifting, but are focused on more severe crimes such as gun theft, drug possession, and use of date-rape drugs. However, we do believe that there will be issues and consequences that retailers will be forced to confront.

Misdemeanor Thresholds. In California, retail theft of property worth \$950 or less is already classified as a misdemeanor crime. However, in the past, it could also have been charged as burglary, which can be brought either as a misdemeanor OR a felony. Under the NEW law, the property crime threshold remains the same at \$950 or less, but it will always be a misdemeanor and could not be charged as burglary.

Change for Retailers. In theory implementation of this now-passed Proposition should have little to no effect on retailers in shoplifting and internal theft, as the large majority of those crimes are already classified as misdemeanors. However, it should be noted that some individuals may perceive the new law as giving offenders carte blanche that may result in an increase in shoplifting incidents.

Shoplifting Enforcement Lower Prioritization. The new law is acknowledgment of a lower priority given to shoplifting prosecution and deterrence. The addition of mugging, drug dealing and other more serious offenses to the list of what is classified as a misdemeanor will most likely lower the priority given to shoplifting by law enforcement and prosecution. The effect of such priority shift will be for retailers to take an even more active role than previously for offender accountability.

Increased Retailer Role. The new law further supports legislative and judicial trend toward pre-charge, restorative justice programs such as re-education as the "first line of defense" for retailers in combating shoplifting and employee theft for the less serious offenders.

Sincerely yours,

A blue ink signature of Darrell Huntsman, consisting of a stylized first name and a more formal last name.

Darrell Huntsman  
CEO  
Corrective Education Company