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The citation for the original is:

*Washington Post*, "SEC Sues to Protect Its Secrets: Says Gianninis Hired Former Agent Who Had Access to Confidential Data," April 7, 1939.

Authorized for publication by:

Meredith Parker, President  
Timetrust, Inc.  
San Francisco, California

Meredith Parker, President of Timetrust, Inc., of San Francisco, today made the following statement in reference to the action taken by the SEC against Timetrust, Inc., and its directors, Bank of America, A. P. Giannini, L. M. Giannini and John M. Grant.

"Examination of the complaint filed in the U. S. District Court in San Francisco by the Securities and Exchange Commission disclosed that it is composed of allegations based upon information and belief which have no basis either in law or in fact.

"The essential details regarding Timetrust certificates are disclosed to trustors clearly and in plain language, in official and descriptive circulars of Timetrust, in the form of application which each trustor signs and of which he receives a copy, and in the certificate itself.

"The facts are clearly set forth to each trustor on the occasion of his creating his Timetrust. The Commission's allegations are based upon a twisted, untrue and unwarranted construction of the actual printed facts. With the single-mindedness of the prosecutor and a total disregard for truth and facts, the Commission built its complaint largely out of whole cloth by alleging hidden motives in creating the Timetrust, and hidden meanings to be drawn from clear statements of fact.

"Any trustor need only read this Timetrust certificate and his copy of his signed application, to know exactly what his program is, what the possibilities are, what the risks are, and what his rights are.

"The entire plan, form of application, certificate and trust agreement were submitted to the Commissioner of Corporations of the State of California, under whose jurisdiction we operated. A permit was issued by the Commissioner for the sale of the certificates.

"The Commission's action is the culmination of an investigation of the Timetrust plan, which was instituted by the Securities and Exchange Commission two months ago. Any doubt as to whether this

was an impartial fact-finding investigation is eliminated by the manner in which it was conducted. The manner in which trustors were intimidated, misled, confused by trick questions, and their testimony distorted, clearly showed that it was not an investigation, but an inquisition, and that the inquisitors were determined to find or manufacture evidence to support charges, rather than to allow charges to grow out of an honest discovery of supporting evidence.

"The hidden motives of the Commission are clearly exposed: first, by the fact that the investigation was instigated, as we have been informed by a representative of the Commission, without so much as a single complaint from trustors having been filed with the Commission; and second, by the fact that the Commission resorted to a clear subterfuge to bring Bank of America, A. P. Giannini, L. M. Giannini and John M. Grant into the case by alleging that they aided and abetted Timetrust, Inc., whereas, in fact, none of these defendants have any connection with our company.

"In the conduct of the investigation, the accredited representatives of the Commission completely disregarded basic rules of evidence for misrepresentation and omission of material facts, which rules they themselves have laid down and made mandatory for investment firms to follow.

"Color is lent to our charges against the unlawful, unwarranted tactics of the Commission investigators by the fact that the Commission itself sent two additional representatives from Washington to investigate the investigators.

"Typical of the tactics of bureaucrats, the first notice our company received of the action taken was from the news tickers. A complete answer to the complaint and a further exposure of the unlawful, unwarranted tactics of the Commission will be made as soon as the complaint can be properly studied.

"Trustors will be fully informed by us as to the facts, and as to their position and their rights. At this time it may be stated that trustors are in no way involved in the action, nor does the action in any way alter or affect the operation of the Timetrust, which they have established."

Authorized for publication by:

John M. Grant, President  
Transamerica Corporation  
San Francisco, California

John M. Grant, President of Transamerica Corporation, today issued the following statement:

"The purported purpose of the complaint filed today by the Securities and Exchange Commission is to secure an injunction to prevent Timetrust, Inc. from engaging in alleged improper practices in connection with its Timetrust certificates. Timetrust, Inc. is not owned nor operated by Transamerica Corporation, the Bank of America, or by any company affiliated with them.

"Neither A. P. Giannini, L. M. Giannini nor I has ever had any connection with its affairs or its management. I have good reason to believe, however, that its operations have been of great benefit to the purchasers of its certificates; in fact, in my opinion, the investment plan offered by Timetrust, Inc. is a particularly sound one. My wife and I and many of my personal friends hold its certificates and are making regular monthly payments to the trustee.

"If the Commission considered that the methods used by Timetrust, Inc., in the distribution of its certificates, were subject to criticism, it occurs to me that the Commission could have brought about a change in the operations of Timetrust, Inc. more expeditiously by conference with its officials, rather than by the filing of a complaint.

"Furthermore, since the Bank of America, A. P. Giannini, L. M. Giannini nor I never had, and do not now have, any interest in affairs or operations of the company, it is impossible for me to conceive of any reason why the Commission should have included us in the complaint, other than the Commission's inordinate desire for publicity, a desire which has become increasingly apparent in the last few months. The unwarranted linking of A. P. Giannini's name with that of Timetrust, Inc., may also be construed as another effort to besmirch his reputation.

"The officers of Timetrust, Inc., who are defendants in the suit, are former employees of a subsidiary of Transamerica Corporation, and we have implicit confidence in their ability and their integrity -- so much so, in fact, that the Transamerica Corporation has advanced to the President of Timetrust, Inc. sufficient funds wherewith to set him up in business for himself.

"To say that A. P. Giannini, L. M. Giannini and John M. Grant have aided and abetted the officials of Timetrust, Inc. in illegal operations, is fantastic, to say the least; but further than that, these latest tactics on the part of the SEC are one more proof of their bad faith. When the Commission last week finally accepted Transamerica's long-standing offer to give it access to its books and records, it was on the distinct understanding that no further drastic action would be taken by the Commission, pending the result of their examination.

"Speaking for myself, as well as for A. P. Giannini and L. M. Giannini, these new complaints of the SEC are as ridiculous and absurd as those which have gone before.

"I have the honor to represent a corporation which is the largest stockholder of the Bank of America. In all, there are approximately 160,000 stockholders.

"Selfish interests have long thought to dominate and control this great institution, but on behalf of its largest stockholder, I herein now make this statement -- that we have the utmost confidence in the ability and integrity and utter unselfishness of A. P. Giannini.

"The action of the Commission in this matter indicates that their verbal promises cannot be relied upon."