

Duplicata

Associated Transamerica Stockholders

456-B PHELAN BUILDING
SAN FRANCISCO, CALIFORNIA

November 7, 1931.

TO THE STOCKHOLDERS OF TRANSAMERICA CORPORATION:

Stockholders of Transamerica Corporation who believe in their fundamental right to know exactly what is happening to their vast properties, and whose primary purpose is to conserve and protect those properties, consider it imperative to organize, and then, collectively acting, endeavor to do what is essential for the best interests of all. Small and large holders of Transamerica stock, constituting in the aggregate a very substantial amount, with this end in view, have united and formed an organization under the name of Associated Transamerica Stockholders.

We had hoped to pursue our constructive purposes without undue controversy; but we regret that recently those who are in control of the management of the Corporation have seen fit to cause officers and employees to be instructed to "use every effort to see that stockholders are discouraged from supporting in any way the activities" of this group. It is unfortunate that the men who are your servants should thus assume to be your masters and should in this manner inaugurate a contest. Their attitude emphasizes the necessity for vigilance and action by all stockholders. The policy of the law is to have freedom of voting, and we deplore any arbitrary actions which would limit this basic right to cast your vote in the manner you consider most beneficial to your investment.

We oppose the sale or other disposition of the major assets, or the authorized and unissued stock of Transamerica Corporation, without the previous consent or approval of the stockholders. This recently was done with the Bank of America N. A. (New York), and thus control of a vast property belonging to all stockholders was disposed of without their consent. The strong financial condition of that institution is shown in its statement of Sept. 29, 1931, which indicates in excess of 100% deposit liquidity and over 37% capital-to-deposits ratio.

We do not favor the re-election of Elisha Walker as a director or as an executive.

We are opposed to the distribution of any assets through rights, as has been proposed by Transamerica officers. Thousands of stockholders lack the money to exercise such rights, and stockholders should not be asked to buy again assets they already own. We insist that any distribution of assets should be free to stockholders on a pro-rata basis. We insist upon a dividend policy which will be fair and equitable. If Transamerica is not divested of its most productive assets, dividends which were regularly paid throughout 25 years by the former administration, should be resumed.

There are many who believe that the present unfortunate position of Transamerica stock is due to manipulation, and that the value of the stock has designedly been depressed out of all relation to its real value. It is our intention to make diligent inquiry into all market transactions in Transamerica stock, salaries paid and agreed to be paid, and other expenses, purchases and sales, etc., of Transamerica and subsidiaries. We will endeavor to ascertain all facts available in regard to these matters prior to the annual meeting.

Although three-fourths of Transamerica stock is owned in California alone, under the Walker Plan the West has been given only two directors, both of whom are salaried officers of the Corporation. The control of the affairs of the Corporation, which from the beginning had been in the hands of Californians, has now passed to Wall Street interests. This we would correct by giving a more adequate representation on the directorate to Western stockholders.

The attitude of those now in power is illustrated by their original denial of the right, legally and morally ours, to a list of the stockholders. It was only after formal legal demand by our counsel, Sullivan, Roche, Johnson and Barry, that this right was granted; but it then was accorded us only after a long delay in a manner which makes it most difficult to obtain the list. We are denied the right to make the list by addressograph, the usual method in such cases, and are limited to the employment of six copyists. This makes the work much longer and more expensive, and is the cause of the delay in sending this letter to you.

A comparison of the present position of Transamerica Corporation and subsidiaries with the certified statements of December 31, 1929, on file with the New York Stock Exchange, will show that the asset values given in the published letter of Chairman Walker of September 22, 1931, are materially at variance with such statements and also with those made by the present chief executives in the fall of 1930, during a statewide speaking tour. The intrinsic value of the major institutions alone was in those statements declared to be very much in excess of the market price of Transamerica stock, which was then around \$25 per share.

In response to urgent requests, and a general demand, we are gratified to announce that A. P. Giannini has agreed to take the leadership in the activities we have inaugurated, provided stockholders give sufficient support to this Association to enable it to accomplish its constructive purposes.

We enclose herewith a proxy for your signature. This, when signed, witnessed and returned, associates you with us. The stockholders who have already signed Association cards must also sign and return this proxy. The proxies are for the next annual meeting, and are intended to be irrevocable until the final adjournment of that meeting. To do effective work, we must have a sufficient number of proxies upon which we can absolutely count. All proxies will be held CONFIDENTIAL, and will be in the custody of A. P. Giannini. They will be voted ONLY in the event that the proxies received represent a sufficient number of shares to insure VICTORY.

It does not seem necessary to emphasize the need of funds to carry on the contemplated work; this is obvious. A number of stockholders have contributed upon the basis of five cents per share owned; others have given more, and some a smaller amount, and some, although unable to give anything financially, have given their co-operation by sending us their proxies. We are giving our services and our time free, and our personal contributions for the benefit of all. With your proxy you may send your contribution in the return envelope by postal money order or check, payable to Associated Transamerica Stockholders. Any unexpended funds will be returned to contributors in proportion to their contributions.

You can co-operate most effectively in this movement by attending to this matter at once. So that you do not forget, PLEASE MAIL TODAY!

Sincerely yours,

Charles W. Fay

Chairman.

If a sufficient and prompt response, through proxies, indicates that it is desired that I take the leadership of the Association, I stand ready to do so, and pledge to my old Transamerica stockholders my best efforts in their behalf. The decision rests with you.

Cordially yours,

A. P. Giannini