

COPY

November 6, 1935.

To Board of Governors
From Mr. Hamlin

Subject: Standard Condition to Granting
of General Voting Permits. Voting Permit
Applications of Transamerica Corporation
and Inter-America Corporation.

At the meeting of the Board on October 25, 1935, the applications of Transamerica Corporation and Inter-America Corporation for voting permits were referred to me for recommendation to the Board as to the action to be taken on such applications. In that connection it has been necessary to consider what standard conditions should be prescribed in connection with granting general voting permits.

RECOMMENDATION

I recommend that the Board approve the proposed letter to Mr. Giannini attached hereto and tentatively approve the granting of general voting permits to Transamerica Corporation and Inter-America Corporation upon the execution of the agreements mentioned therein. I further recommend that the Board adopt as a standard condition to the granting of general voting permits that, in the absence of special circumstances, the holding company affiliates involved be required to execute agreements containing the first seven provisions of the agreement recommended in connection with Transamerica Corporation and set out in full in the proposed letter to Mr. Giannini.

DISCUSSION

In January, 1935, the Board advised Mr. Giannini, in response to a request from him, that he would be afforded an opportunity for a hearing before the Board reached a conclusion with respect to the action it should take on such applications. Attached hereto is a proposed letter to Mr. Giannini, advising him that the Board will afford him an

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opportunity for such a hearing at a mutually convenient date within fifteen days from the date of such letter.

The proposed letter states that under the tentative conditions being considered by the Board, Transamerica Corporation and Inter-America Corporation would each be required to execute an agreement before the Board would grant general voting permits to them. The provisions of the agreement to be executed by Transamerica Corporation are set out in full in the letter. Inter-America Corporation would be required to execute an agreement containing the first seven of such provisions.

The decision of the Board concerning the conditions to be prescribed in these cases depends upon the policy which will be followed by the Board in granting general voting permits. In this connection it should be borne in mind that whatever enforceable requirements the Board desires to make in connection with the granting of a general voting permit must be made at the time of the approval of the application and must be performed or agreed to by the holding company involved prior to the granting of the permit. Accordingly, I have canvassed the situation with members of the Board's staff and discussed the important questions of policy involved. I have also discussed this matter with the Comptroller of the Currency and he has stated that he has no objection to the conditions recommended herein.

The first seven provisions of the agreement to be executed by Transamerica Corporation have been formulated with the view that they are standard provisions applicable in all cases and that, in the absence of special circumstances, each holding company affiliate should be required

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to execute an agreement containing such provisions as a condition to the granting of a general voting permit. The provision numbered 8 is a special provision applicable only in the case of Transamerica Corporation but it is contemplated that, in other cases, special provisions may be prescribed in the light of the facts of the particular cases.

Sincerely,

(Signed) C. S. Hamlin

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