Filed at S.E.C.,
San Francisco,
August 28, 1941.

BEFORE THE SECURITIES AND EXCHANGE COMMISSION

In the Matter of TRANSAMERICA CORPORATION	FILE NO. 1-2964

MEMORANDUM OF L. M. GIANNINI IN REPLY TO RESPONSE MEMORANDUM OF COUNSEL FOR THE SECURITIES AND EXCHANGE COMMISSION.

F O R E W O R D

The sole issue now before the Commission is the interpretation of the Agreement of March 10, 1941. The Agreement itself is couched in plain and unequivocal language. It already has been interpreted by the Commission and the Commission's staff in Washington in accordance with the interpretation placed thereon by the Registrant. It should not be distorted. Repeated challenges of the good faith of the Registrant, and assertions of unproven charges might well prejudice the Registrant in the eyes of the Commission, but cannot contribute to a proper determination of this simple issue.

It is not my purpose to discuss matters that are not strictly within the issues but there are certain statements that I cannot permit to go unchallenged,

I cannot overlook the fact that the Commission's staff has pictured the Registrant as a "suppliant" and accused it of attempting to persuade the Commission to "bargain with justice." In negotiating this Agreement, the Registrant was not a "suppliant" nor was it attempting to induce the Commission to "bargain with justice." Such statements reflect upon both the Commission and the Registrant and serve only to prejudice the Registrant before the Commission. The Commission and the Registrant have done exactly what the Report of the Acheson Committee, appointed by the Attorney General at the request of the President, recommends and prescribes as appropriate in the settlement of controversies with administrative bodies. I quote from said report as follows (p. 64):

> "The Committee believes that perhaps the most fruitful possibilities for expediting and simplifying formal administrative proceedings lie in the field of prehearing techniques. In Chapter III we have recommended that every effort be made, by conferences and negotiations, amicably to dispose of controversies, by stipulation or other agreement, before there is resort to formal proceedings. But even after notice has been issued and formal decisive action is begun, there is scope for further prehearing methods to dispose of the case, narrow its issues, or simplify the subsequent methods of proof. Two main devices are recommended to accomplish this: prehearing conferences and stipulations." 1/

1/ Unless otherwise indicated herein all underscoring is supplied.

The Commission and the Registrant have followed the most approved procedure in agreeing with regard to the disposition of the pending issues and both should be commended rather than criticized. I am sure the members of the Commission are conscious of the efforts which Transamerica has made over a period of many months, including the granting of fifteen months' access to its books and records by representatives of the Commission, to facilitate the work of the Commission in its effort to ascertain the facts relevant to its inquiry into the sufficiency of Transamerica's Application for Registration. It has cooperated most liberally at considerable inconvenience and expense. In view of this it has felt that it would be especially appropriate for the Commission to carry out the salutary procedure prescribed in the Acheson Report. The Agreement as to the so-called bank issues was made possible through the understanding resulting from additional information and from conferences and negotiations which made the expeditious and simple disposition of such issues seem appropriate. This is wholly consistent with the Acheson Report. In the circumstances, the Registrant resents being characterized as a "suppliant" and accused of attempting to induce the Commission to "bargain with justice."

In the Memorandum prepared by the Commission's counsel, there is reference to a prophecy made by one of them to the

Commission. I do not believe the Commission will be impressed by such prophecy. To me it seems a gross impropriety for a member of its staff, especially an attorney, to indulge in prophecy with respect to the action of the Commission and then to make the prophecy the basis for argument which seeks to induce the Commission to bring about its fulfillment through the repudiation of an approved Agreement. This Agreement might well have been substantially performed months ago if the prophet had not desired to have his prophecy fulfilled, justice and equity to the contrary notwithstanding.

The consistently abusive note which flows through the Memorandum of Commission's counsel should suggest why it has been impossible for the Registrant to receive fair and unprejudiced consideration from the staff.

I now proceed to answer the Memorandum of counsel for the Commission.

REPLY

On page 2 of their Memorandum, counsel for the Commission resort to the trite illustration of the "red herring." Strangely enough, while accusing Transamerica of an attempt to deviate from the issue involved, counsel for the Commission proceed to discuss subjects that have absolutely nothing to do with the issue now before the Commission. Commission's counsel say that the Bank amendments in the form of footnotes are in final

approved form and they pose the question, "Why are they not filed?" It is then argued that Transamerica desires the Commission to "bargain with justice." They become oratorical and without reason accuse Transamerica of laying "bare its disingenuous purpose." The only effect of this can be to prejudice the Registrant before the very body that is to pass upon the pending issue. Commission's counsel know very well why the footnotes were not filed and who prevented their filing. I cannot state the facts with regard to this matter more clearly than I did in my letter of April 14, 1941, in answer to the letter of the General Counsel for the Commission, dated April 11, 1941. I there stated:

> "With reference to the last paragraph of your letter, I feel sure, too, that we understand exactly what our agreement of March 10 means. We have agreed with the Commission on the bank amendments, accepted the form of press release and the form of order approved by the Commission, and are prepared to file the amendments, but on Saturday, April 5, Jim Treanor called on us for the purpose of advising us that the filing of the bank amendments and the dismissal of subparagraphs (4) to (10) would not, in his opinion, preclude him from raising the issues contained in those paragraphs with respect to the remaining issues in the orders, and suggested that in the circumstances we defer filing the amendments. He stated that if the filing of the bank amendments were to be treated in such a manner as to preclude him from again raising the same issues in connection with other paragraphs of the orders, he would be governed accordingly, but in that case he must have the confirmation of the Commission that that was a proper construction of the agreement.*****"

The above quoted portion of my letter was called to the attention of Mr. Treanor, and he stated that it correctly paraphrased his position.

The Registrant hesitated to file the footnotes in order not to embarrass the Commission and its counsel in the consideration of the question which Commission's counsel had raised in connection with the interpretation of the Agreement. However, since the Registrant has been challenged by counsel for the Commission to file the footnotes, it is assumed that no embarrassment will result; and, therefore, concurrently with this Memorandum, the amendment in the form of footnotes heretofore agreed upon is offered by the Registrant for filing with the Commission, pursuant to the Agreement of March 10, 1941. It would seem that it is now appropriate that the Order and Press Release approved for issuance by the Commission be issued.

Apparently counsel for the Commission are not in agreement as to the attitude of Registrant with regard to the filing of the amendment for in Mr. Lane's letter to me dated April 11, 1941, he states frankly:

> "I know you are anxious to file the bank amendments.*****"

All of counsel's argument based upon an assumption of unwillingness on the part of the Registrant to file the footnotes can now be disregarded because the footnotes are tendered for filing and the assumption is proved groundless.

In the second paragraph on page 3, counsel for the Commission state that under the circumstances they regard further dispute as to the meaning of the Agreement as "futile." Further discussion can be futile only if the Agreement is to be construed without regard to its wording, and the circumstances under which it was entered into.

Counsel for the Commission next presume to give reasons why the Commission should not have entered into this Agreement (Memorandum of Commission's counsel, top page 7). Such considerations were only important while the Agreement was being negotiated and before it had been approved. The fact that counsel for the Commission may regard the Agreement as disadvantageous is no reason for giving to it an interpretation which does violence to its plain language.

Under the heading, "Purpose and Interpretation of the Agreement," Commission's counsel challenge my statement on page 12 of my Memorandum to the effect that a primary purpose of the Agreement "was to eliminate from these proceedings issues related primarily to the Bank."

In Mr. Lane's letter to me of April 11, 1941, he indicated (as I understand his letter) that the effect of the filing of the Bank footnotes was to eliminate the issues pertaining primarily to the Bank and that he was favorable to their filing for that reason. He stated with reference to the footnotes:

"I know you are anxious to file the Bank amendments. I, too, should like to see them filed, since they deal with historical financial problems of the Bank which have always been more directly the concern of the Comptroller of the Currency, and other similar Government officials, than of this Commission."

Further, in the several discussions with Hon. Jerome N. Frank, the then Chairman, and other members of the Commission and their staff leading up to the execution of the Agreement, the ultimate objective was to eliminate from the 19(a) (2) proceeding the issues relating primarily to the Bank. There can be no doubt that this was in the minds of both parties when the Agreement of March 10 was executed.

On page 5 of my Memorandum, I called attention to the fact that in the Order entitled, "Order Amending the Supplemental Amended Order for Hearing by Striking Therefrom Certain Portions Thereof" and in the Press Release approved for issuance by the Commission, the Commission and the counsel for the Commission who prepared the Order and the Press Release were in harmony with the interpretation of the Agreement as set forth in my Memorandum. Counsel for the Commission have entirely ignored this significant fact. For this reason I attach hereto copies thereof and mark the same Exhibit A and Exhibit B, respectively. Reference is also made to the Transcript of Proceedings before the Commission on June 24, 1941.

In the last paragraph on page 7, counsel for the Commission call attention to certain provisions of the Agreement and

say that there is no provision therein that supports my statement that its purpose was to eliminate the issues primarily involving the Bank. Notwithstanding counsel's argument, I submit that even a casual reading of the Agreement will demonstrate that the elimination of issues primarily affecting the Bank was its main purpose. Certain other provisions outlined an operative procedure for developing the remaining issues.

There was, too, a collateral understanding by both parties concerning the obtaining of information relating to the Bank and the settlement of disputes. It was thoroughly understood and agreed that counsel for the Commission might desire to obtain information from the books and records of the Bank of America National Trust and Savings Association which the officers of the Bank might hesitate to give them and that there might be other disputes. In that case a Committee composed of Honorable Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, Honorable Sumner T. Pike, Commissioner of the Securities and Exchange Commission, and Honorable Chester T. Lane, General Counsel for the Securities and Exchange Commission, was to settle the disputes, deferring to the judgment of Honorable Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, in respect to matters directly affecting the Bank. Surely this is indicative of a purpose to eliminate Bank issues.

At the top of page 8, counsel for the Commission frankly admit that the primary purpose of the negotiations the previous fall was the elimination of matters primarily affecting the Bank, but they say that because the negotiations had failed and had been abandoned, a new program was developed, and that in the new program Transamerica appeared willing to agree upon the facts in the entire case. As we have pointed out, the negotiations during the previous fall, and the present negotiations, had and have for their purpose the accomplishment of an identical objective, to-wit, the elimination of the issues primarily concerning the Bank. That which was regarded as appropriate in the fall was equally appropriate in the winter and was so regarded by the Commission.

In all the efforts of the Registrant and the Commission to bring this long pending proceeding to an early and equitable conclusion, I believe that both the Commission and the Registrant have been mindful of the differences of viewpoint which have already resulted in protracted litigation terminating in the Court of Appeals for the District of Columbia. In this litigation there were involved questions concerning the propriety of certain proceedings affecting the Bank and in connection with it certain limitations were specified by the Court. Certainly the parties have already been overburdened with litigation and expense and both should be content to proceed within the limitations of that decision and the Agreement of March 10, 1941.

At the bottom of page 8 and continuing on page 9 of their memorandum, counsel refer to a condensed statement in my former

memorandum of issues to be eliminated (page 7). They say; "Mr. Giannini . . . constructs them as follows:" and then they quote my summarization. If the Commission will examine my comment, they will see that I constructed nothing. In fact, I meticulously avoided doing so, and lest my summarization might be questioned I accompanied it with an exhibit attached to my original Memorandum for convenient reference, which consists of the full text of the subparagraphs to be eliminated. The issues which I condensed are constructed not by me but by the Commission in its own Order.

This statement is followed by counsel's declaration that the elimination of these issues is "inconsistent with the preservation of the remaining items of the Order." That this is not the fact is demonstrated by this and my previous Memorandum. There are many remaining issues in the Order as to which evidence can be produced without any reference whatsoever to the eliminated issues. Even as to some of the remaining "items" which involve relations with the Bank there are "remaining issues" which can be developed, if the facts warrant, without again raising the eliminated issues. An instance of this is given below.

On page 9, counsel for the Commission quote an example to show that my construction of the Agreement would eliminate certain issues contained in subparagraphs (14), (15), (23) and (24) of Paragraph III of the Amended Order, and subparagraph (1) of Paragraph II of the Supplemental Amended Order, the principal

question in which relates to "donations and contributions." They proceed to outline a certain transaction in which they state that the Bank sold certain charged-off assets to Transamerica, and then repurchased them. Counsel have had access to the confidential files in the Comptroller's Office and they well know that their statement of facts in this connection is altogether inadequate. They also know that the matters referred to are matters over which the Comptroller of the Currency has primary jurisdiction, and are not matters concerning which the Commission could substitute its judgment for that of the Comptroller (Bank vs. Douglas).

Commencing at page 10 and following through page 11 of memorandum of counsel for the Commission, they cite isolated portions of the Agreement in an attempt to argue that <u>items</u> were to be eliminated, and not <u>issues</u>. In my Memorandum, at pages 3, 4, and 5, I pointed out that the primary object of the Agreement was to eliminate <u>issues</u> for the purpose of shortening the proceeding. I repeat what I there said in substance: To say that only <u>items</u> were to be eliminated, and that the <u>issues</u> could be retried under other headings, would render the Agreement useless and futile. Obviously, it would take as much time and effort to establish the eliminated <u>issues</u> under another heading as it would have taken if the excised issues had remained. The contention of the Commission's counsel that <u>items</u> and not <u>issues</u> were intended to be eliminated demonstrates its own absurdity.

Moreover, in paragraph (6) of the Agreement, reference is made, not to remaining items, but to "the method by which any issue other than items (4) to (10) of the Supplemental Amended Order of November 22, 1940, shall be ultimately disposed of."

The foregoing portion of the Agreement nullifies the argument made by counsel for the Commission to the effect that the Agreement does not support my construction thereof, heretofore concurred in by the Commission in its Order and Press Release. Again, in paragraph (3) of the Agreement, reference is made to the fact that "no new issues are to be raised in this proceeding." This also supports the construction heretofore given to the Agreement by both parties.

At page 10, counsel for the Commission state that if "issues" were to be eliminated, "such 'issues' would better have been defined than left to the imagination of either party." The fact is that the meaning of the word "issues" is clearly defined in the Agreement. The Commission in its Order and Press Release had no difficulty in arriving at exactly what the word "issues" meant. Such definition is clear, and it was only when Mr. Treanor found fault with the provisions of the Agreement and interrupted the progress which was being made thereunder that any question of the definition of the terms used in the Agreement was raised.

In their Memorandum at pages 10, 11 and 12, counsel for the Commission argue that under the Agreement they are entitled to produce any facts which they consider pertinent to the preserved items in the Order and that the Commission shall not be

fettered in its comments upon any facts adduced as to such items. I have never contended otherwise. I have always conceded the right of the Commission to introduce evidence and establish the facts with respect to all preserved or remaining issues in the Order, and I thought I had stated this clearly in my original Memorandum, and I believe a careful reading of that Memorandum will demonstrate this to be a fact. This right, however, is subject to the limitation that the issues which were eliminated under the Agreement are not to be revived or tried in connection with the remaining issues. Otherwise the purpose of the Agreement would be defeated.

The example cited by counsel for the Commission on page 13 of their Memorandum discloses very clearly the exact nature of our differences concerning the interpretation of the Agreement. Subparagraph (5) of Paragraph II of the Supplemental Amended Order for Hearing contains the charge that the Report of Earnings and Dividends of the Bank of America for the years 1934, 1935 and 1936 improperly includes as items of income unrealized profits created by writing up the carrying value of government, municipal, and other securities. The footnotes which are being presented to the Commission explain this so-called write-up and the manner in which it was offset by certain charges. It was provided in the Agreement that upon the filing of the amendment in the form of explanatory footnotes, the issue contained in Subparagraph (5) would be eliminated. In other words, as I interpret the Agreement, upon the filing of the footnotes there is no longer any contention that "the Report of Earnings and Dividends . . .

improperly includes as items of income unrealized profits created by writing up the carrying value of government, municipal and other securities." Yet, as appears on page 13 of the Memorandum prepared by counsel for the Commission, they propose to establish, in making proof with respect to Subparagraph (9) of Paragraph III of the Amended Order, that the earnings of the Bank were over-stated by reason of the bond write-up. This, of course, revives the very issue which is the subject matter of Subparagraph (5) of the Supplemental Amended Order, which has already been further explained in the footnotes, and which under the Agreement of March 10, 1941, was to be eliminated.

The issue raised by Subparagraph (9) is that the bank dividends received by Inter-America Corporation have been improperly treated by it as income. Obviously, this could be established either on the theory that the bank's Earnings and Dividends Reports in the form required by the Comptroller of the Currency are proper or on the theory that they are not, as originally charged; but the issue which challenged the correctness of the bank's Earnings and Dividends Reports having been eliminated, the Commission should proceed under Subparagraph (9) upon the assumption that the bank's Earnings and Dividends Reports are correct. If the facts warrant, it may nevertheless establish its charge that Inter-America Corporation improperly treated the bank dividends as income. I agree that the Commission may produce evidence concerning the issue contained in Subparagraph (9) of Paragraph III of the Amended Order, but it

is my contention that in making such proof, the Commission's counsel should not revive the issue which was eliminated by the elimination of subparagraph (5) of Paragraph II of the Supplemental Amended Order. All of the issues contained in the subparagraphs to be eliminated are matters which are within the jurisdiction of the Comptroller of the Currency and have been thoroughly considered by him. Elimination of these issues from this proceeding results in avoiding any inconsistencies of position by the Commission and the Office of the Comptroller of the Currency, and that objective was an important part of the Agreement of March 10, 1941. The Agreement is entirely consistent with this principle of comity, and it should be carried out.

Another illustration given by the Commission's counsel relates to subparagraph (16) of Section III of the Amended Order. What is said above is applicable as well to that illustration. It will readily be seen that the contentions of counsel, if supported by the Commission and carried to their logical conclusion, would burden the Commission and the Registrant with a reclassification of the Bank's assets and a redetermination of its liabilities originating in transactions of ten years' standing. The Commission could not possibly exercise independent judgment with respect to such matters without overriding the judgment of several Comptrollers of the Currency. How can such an undertaking be thought to simplify the Commission's task or facilitate the determination of the instant proceeding? It would of course nullify all of the reasonable and mutual advantages contemplated by the Agreement.

Counsel for the Commission in the latter part of their Memorandum develop the theory that certain issues relating primarily to the Bank are to be eliminated in their entirety, but that where such issues would overlap others, they would not be eliminated. This is merely stating the contention of counsel for the Commission in different words. I have answered these contentions above, but I may add to what I have already said that the differentiation made by counsel for the Commission does not take into consideration the reasons for the elimination of the issues relating primarily to the Bank. Mr. Lane stated the situation clearly when he said in his letter of April 11, 1941, addressed to me:

> "I know you are anxious to file the Bank amendments. I, too, should like to see them filed, since they deal with historical financial problems of the Bank which have always been more directly the concern of the Comptroller of the Currency, and other similar Government officials, than of this Commission."

Obviously, the reasons for the elimination of issues relating primarily to the Bank apply with equal force to said issues whether they stand alone or overlap others.

At the bottom of page 13, counsel for the Commission state:

> ". . . Mr. Giannini would require the Commission to stultify itself by accepting Transamerica's original false statement in its findings and opinion, when Transamerica, by amending such original statement, had disclosed its falseness to the world."

This statement is grossly improper and is a gratuitous affront. The original statement of Transamerica, which is

referred to as being false, can be and is none other than a statement which compiled reports of the Bank submitted to the Comptroller of the Currency. Transamerica, by filing an amendment in the form of explanatory footnotes which do not change any of the figures in the relevant Reports of Condition and of Earnings and Dividends of the Bank, is not admitting and consistent with accuracy cannot admit that anything filed in its original application was false, and the reading of the amendment containing the footnotes will convince any fair mind that the original statement was not false. It is certainly to be deplored that counsel for the Commission should resort to such recklessness when by so doing they are reflecting not merely upon the Registrant, but upon officers of the Bank (which is not a party to this proceeding) and even upon the highest officers in the Government exercising supervisory authority over banks, including the Comptroller of the Currency, the Board of Governors of the Federal Reserve System and the Board of Directors of the Federal Deposit Insurance Corporation.

At the bottom of page 14, counsel for the Commission state that in Bank v. Douglas the Bank "unsuccessfully sought to enjoin the Commission on the ground that, as a matter of law, it had no right to go into matters affecting the Bank." I am accused of arguing that the Commission has voluntarily contracted away the benefits of the Douglas case. No useful purpose would here be served in trying to develop what was actually decided in that case, as the best evidence is the decision itself. Suffice

it to say at this time that the Bank was not unsuccessful in the Douglas case, and that the Court, by its decision, did in effect restrain the Commission from certain illegal and unlawful practices, and would have granted an injunction if it had not been assured by counsel for the Commission that the said unlawful practices would not be repeated.

But the most amazing part of the counsel's Memorandum is contained in the first paragraph on page 15, in which they undertake to tell the Commission what proposals the Commission could not entertain. If counsel for the Commission are empowered to tell the Commission what it cannot entertain, of course any comment that I might make would be futile.

In the aforesaid paragraph counsel for the Commission labor to establish the admitted fact that there are issues other than those eliminated by the filing of the footnotes which relate to the Bank. As an example, Subparagraph (1) of Section III of the Amended Order is referred to. This subparagraph charges a failure to disclose an alleged affiliation between the Registrant and the Bank of America and various other institutions. There is nothing in my contentions that would prevent the Commission from establishing by proper proof anything that may be set forth in said subparagraph. This issue could be established without trespassing on any of the issues which have been eliminated by the filing of the footnotes.

On page 17, under the heading of "Conflict of Jurisdiction between the Commission and the Comptroller of the Currency," counsel for the Commission admit that the Comptroller

of the Currency is given powers with respect to national banks not possessed by the Commission, and they assert that the Commission is not seeking to assert any such powers. They then proceed to argue that the Commission's powers of disclosure arise by reason of the fact that during the time in question the stock of the Bank was owned by a subsidiary of Transamerica. A complete answer to this argument is that if the power of the Commission is one of disclosure, that disclosure is fully and fairly made in Transamerica's Application for Registration amplified by the Amendment in the form of approved footnotes. Counsel for the Commission in a note found at the bottom of page 3 of their Memorandum state:

> "As the Commission knows these amendments have been examined by the Commission's staff and it is agreed that they constitute adequate disclosure."

On page 18, counsel for the Commission refer to my statement that the Commission has wisely determined to accept the Bank in the condition in which it has been found satisfactory to the Comptroller. They state that the Comptroller has repeatedly criticized the practices of the Bank with which the Commission is concerned. The fact is however, that the Comptroller of the Currency did not during any of the years in question criticize the Bank with reference to any matter affecting the Bank with which the Commission is concerned. Counsel very well know that at no time has the Comptroller required the

reversal of any entries on the books of the Bank affecting these matters.

The statement is made at page 20 that the elimination of the Bank issues would result in endless controversies with regard to the "non-defined issues which were to be excised." I have shown that the issues referred to in the Agreement are not "non-defined" but, on the contrary, each is specifically and separately alleged in the Order.

In the last paragraph, Commission's counsel ask that the Agreement be not "permitted to be perverted into an indication of intention by the Commission to abandon all matters whatsoever that might pertain to the Bank with a consequent paralysis of the entire proceeding." A similar statement is made by counsel on page 3 of their Memorandum where they say that Transamerica "seeks to induce the Commission to abandon other major portions of its case." I have repeatedly demonstrated that I have not made any such request or contention. The remaining issues in the Order may be proved by the Commission if it can produce proper evidence of the requisite facts. My sole contention is that in doing so counsel for the Commission shall not retry the eliminated issues.

CONCLUSION

I respectfully submit, therefore:

1. That the Agreement of March 10, 1941 is clear and unequivocal.

2. That the Commission should not at this time place a construction on the Agreement contrary to that heretofore placed thereon by it in its Order and Press Release.

3. That the Agreement entered into in accordance with the procedure prescribed in the Acheson Report should not be repudiated.

4. That the Commission give effect to the Agreement by eliminating the issues (covered by the footnotes) primarily involving the Bank, which in the words of the Commission's General Counsel:

> ". . . deal with historical financial problems of the bank which have always been more directly the concern of the Comptroller of the Currency and other similar Government officials than of this Commission."

5. That the Commission as a matter of comity and in the interests of justice should take notice of the fact that the Bank of America National Trust and Savings Association is adequately supervised by the Comptroller of the Currency, Federal Reserve Board and Federal Deposit Insurance Corporation. The Agreement, properly interpreted, gives effect to this principle.

6. That the Commission file the footnotes pursuant to the terms of the Agreement, and issue the Order Amending Supplemental Amended Order For Hearing By Striking Therefrom Certain Portions Thereof and Press Release heretofore approved for issuance in conformity with the procedure already agreed upon.

7. That the Agreement, which was frustrated in the course of performance by the action of Commission's counsel, be given full effect and that henceforth it be thoroughly and conscientiously carried out to the end that this proceeding be brought to an early and equitable termination with the least possible additional cost and inconvenience to the Government and the Registrant and its shareholders.

Respectfully submitted,

L. M. GIANNINI

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August 28, 1941.