

January 4, 1939

Mr. A. P. Giannini  
Bank of America  
San Francisco, California

Dear Mr. Giannini:

I received yesterday by airmail a copy of your recent statement respecting a suit filed in Los Angeles by Rose Breakstone. I noted this matter from the press but didn't think that any such suit could possibly succeed. It seems to me that so long as you managed Transamerica Corporation with full approval of the Corporation's board of directors, no personal liability can be attached unless it can be shown that the entire board is delinquent either by reason of mismanagement or dishonesty. As you correctly point out in your statement, some lawyers are always looking for a chance to bring an action which they know cannot succeed on its merits but which they hope will prove of sufficient nuisance value to force some settlement by the defendant and thus make a fee for the lawyer. I cannot help reflecting, however, that this suit and any others of similar nature which follow are traceable to the public procedure instituted by certain of the regulatory agencies.

With best wishes, I am

Yours sincerely,

LC/fg

Lawrence Clayton