

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

TRANSAMERICA CORPORATION, :

Plaintiff, :

v. : Civil Action No. 4175-48

THOMAS BAYARD McCABE, MARRINER S. :
 ECCLES, M. S. SZYMCAK, ERNEST G. :
 DRAPER, RUDOLPH M. EVANS, JAMES :
 KIMBLE VARDAMAN, JR., and LAWRENCE :
 CLAYTON, :

Defendants. :

MEMORANDUM

Morris, J. This is an action in which the plaintiff seeks a declaratory judgment and injunctive relief against the defendant members of the Board of Governors of the Federal Reserve System with respect to a proceeding instituted by the Board under the provision of Section 11 of the Clayton Act, 15 U. S. C., Section 21,¹ in which the plaintiff is charged with violation of

¹Sec. 11, Clayton Act, U. S. C., Sec. 21, Title 15.
 Authority to enforce compliance with sections * * * 18 * * * of this title by the persons respectively subject thereto is hereby vested: * * * in the Board of Governors of the Federal Reserve System, where applicable to banks, banking associations, and trust companies; * * *

Whenever the commission or board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of said sections, it shall issue and serve upon such person a complaint stating its charges in that respect, and containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause shown may be allowed by the commission or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission or board. If upon such hearing the commission or board, as the case may be, shall be of the opinion that any of the provisions of said sections have been or are being violated, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations and divest itself of the stock held or rid itself of the directors chosen contrary to the provisions of sections 18 * * * of this title, if any there be, in the manner and within the time fixed by said order. Until a transcript of the record in such hearing shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

* * * *

Section 7 of the Clayton Act, 15 U. S. C., Section 18.² The complaint in the instant action asserts that the complaint in the administrative proceedings fails to charge a violation of law with sufficient particularity to enable the plaintiff, respondent therein, to make proper answer and defense thereto; that the plaintiff has sought a more particular statement with respect to the alleged violation, which has been denied by the Board; and that the complaint in the administrative proceedings does not set forth "the legal authority and jurisdiction under which the hearing is to be held." The plaintiff insists that in this situation the declaratory judgment and injunctive relief sought should be granted to prevent irreparable injury, and that such relief should be granted on the further ground that the complaint in the administrative proceedings is insufficient to meet the requirements of the Administrative Procedure Act, approved June 11, 1946, 5 U. S. C., Section 1001, et seq.

Upon motion a rule was issued to the defendants to show cause why a temporary restraining order and preliminary injunction should not be granted. Before the return of this rule, the defendants filed a motion to dismiss the complaint upon the ground that this Court is without jurisdiction to interfere at an interlocutory stage in the administrative hearing authorized by

²Sec. 7, Clayton Act, U. S. C., Sec. 18, Title 15.

No corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying-on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition.

* * * *

the Clayton Act. A hearing was had upon the rule to show cause and the motion to dismiss on October 20, 1948. By leave of Court brief and supplementary brief were filed by the plaintiff.

At the threshold it must be pointed out that the statute which authorizes the administrative proceeding here in question specifically provides for complete judicial review of any order directing the plaintiff to cease and desist from any violation of the Act, or to divest itself of any stock held in violation thereof.³ It is well established that ordinarily relief by

³Sec. 11, Clayton Act, U. S. C., Sec. 21, Title 15.
* * * *

If such person fails or neglects to obey such order of the Commission or board while the same is in effect, the Commission or board may apply to the circuit court of appeals of the United States, within any circuit where the violation complained of was or is being committed or where such person resides or carries on business for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the commission or board. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission or board. The findings of the commission or board as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by testimony, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in sections 346 and 347 of Title 28.

Any party required by such order of the commission or board to cease and desist from a violation charged may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith served upon the commission or board, and thereupon the commission or board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission or board as in the case of an application by the commission or board for the enforcement of its order, and the findings of the commission or board as to the facts, if supported by testimony, shall in like manner be conclusive.

The jurisdiction of the Circuit Court of Appeals of the United States to enforce, set aside, or modify orders of the Commission or board shall be exclusive.

judicial action may not be had until an administrative remedy has been exhausted, and certainly where there is full and adequate statutory review of administrative action, recourse to the District Court for equitable relief to prevent such administrative action cannot be had. Myers v. Bethlehem Shipbuilding Corp., 303 U. S. 41, Macauley v. Waterman Steamship Corp., 327 U. S. 540, and Federal Power Commission v. Arkansas Power & Light Co., 330 U. S. 802. It is here insisted by the plaintiff that the statutory judicial review is not adequate, and that the plaintiff would suffer irreparable injury if resort to a judicial remedy is delayed until after the administrative proceedings. The complaint does not show such irreparable injury as would justify an exception to the well recognized rules just stated. Several cases are cited which sanction the exercise of equitable intervention in situations which are not here shown to exist. The Supreme Court stated in the case of Myers v. Bethlehem Corporation, supra, at page 51:

Obviously, the rule requiring exhaustion of the administrative remedy cannot be circumvented by asserting that the charge on which the complaint rests is groundless and that the mere holding of the prescribed administrative hearing would result in irreparable damage. Lawsuits also often prove to have been groundless; but no way has been discovered of relieving a defendant from the necessity of a trial to establish the fact.

Moreover, the Supreme Court has said, with particular respect to administrative proceedings where statutory judicial review is provided,

Whatever may be the scope allowed generally for equity to intervene upon the ground of inadequacy of legal remedies, where no explicit congressional command exists for following a prescribed procedure, the problem when such a mandate is present is entirely different from one tendered in its absence. The very fact that Congress has made the direction must be cast into the scales as against the factors which, without that fact, would or might be of sufficient weight to turn the balance in favor of allowing utilization of equity's resources. Aircraft & Diesel Corp. v. Hirsch, et al., 331 U. S. 752, at page 774.

It is urged that the lack of subpoena power in the Federal Reserve Board would work to the prejudice of the plaintiff in securing and offering evidence needed to meet the allegations of the complaint. Should the plaintiff, during the course of the administrative proceedings, be deprived of a fair and adequate hearing because of the lack of such subpoena power, I have not

the slightest doubt that the Court of Appeals, either in proceedings to enforce the Board's order, or to review the same, would be competent to require the evidence which was lacking, or give relief to the plaintiff because of the failure to supply the same.³

The plaintiff insists that the Administrative Procedure Act qualifies the rules stated in the authorities here cited, as to which said Act was not operative. In so far as it affects the application of the rules to the situation here involved, I am in no doubt that the Administrative Procedure Act left judicial review, when statutory judicial review is provided, where it found it. Unquestionably this Act imposed certain procedures upon administrative action, and equally without question the Act requires a reversal of administrative action where its procedures have not been in accordance with the Act, and prejudice to the aggrieved party has resulted. There can be no doubt that, if the complaint in the administrative proceedings here is as inadequate as the plaintiff insists and, by reason thereof, the rights of the plaintiff are prejudiced by the Board's action, relief can be had when the judicial power comes into play upon the enforcement or review of such action. The requirements of the Administrative Procedure Act are no less important and effective because they are to be enforced by the reviewing court, where statutory review is provided, rather than by a court of equity before final action in the administrative proceedings. The latter would require consideration almost in vacuo.

For the reasons stated, I must conclude that this Court does not have the power to grant the relief sought by the plaintiff, and the complaint must, therefore, be dismissed.

James W. Morris
Judge

November 3, 1948.

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

IN THE MATTER OF
TRANSAMERICA CORPORATION

AMENDED AND SUPPLEMENTAL COMPLAINT

The Board of Governors of the Federal Reserve System charges that Transamerica Corporation, hereinafter called respondent, is violating and has violated the provisions of Section 7 of an Act of Congress approved October 15, 1914 (the Clayton Act), "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", and the Board of Governors of the Federal Reserve System hereby issues this, its amended and supplemental complaint against said respondent, and states its charges with respect thereto as follows, to wit:

PARAGRAPH ONE--Respondent is a corporation organized under the laws of the State of Delaware, having its principal office in the City of San Francisco, State of California. Respondent has an authorized capital stock of 25,000,000 shares, of the par value of \$2.00 per share, approximately 9,900,000 shares of which are now outstanding. Respondent, through various subsidiary and other companies which it controls, is now engaged, in interstate commerce, in the commercial banking business in the United States and in foreign countries; in the business of home financing; in the business of acquiring, managing and selling real estate; in the business of catching, buying, processing and selling fish and seafood; in the business of underwriting and selling life, health, accident, fire, automobile and marine insurance; in the business of manufacturing and selling hydraulic controls, line supports for aircraft, agricultural implements, Diesel engines, non-ferrous and aluminum castings and forgings, malleable iron and steel castings, oil-well equipment and machinery, and other products; and in other businesses.

PARAGRAPH TWO--Respondent was founded by A.P. Giannini on or about October 11, 1928, for the purpose, among others, of acquiring and consolidating under one management the control of a number of corporations, including banks, which theretofore had operated under the general direction and control of the said A. P. Giannini. At or about the time of its organization respondent acquired controlling stock interests in the following corporations, among others:

(a) Bank of Italy National Trust and Savings Association (now Bank of America National Trust and Savings Association). This bank was founded by A. P. Giannini in 1904 as a state bank under the laws of the State of California. At the time of its incorporation and until 1927 it operated as a state bank under the name of Bank of Italy. In 1927 Bank of Italy converted into a national bank under the name of Bank of Italy

National Trust and Savings Association (hereinafter referred to as Bank of Italy N. T. & S. A.). At or about the time respondent acquired a controlling stock interest therein Bank of Italy N. T. & S. A. was operating through a head office in San Francisco and approximately 292 branches located throughout the State of California. Approximately 200 of such branches had been established following the acquisition, by various companies or persons acting under the general direction of A. P. Giannini, of controlling stock interests in or the banking business of various independent banks and branches of such banks located throughout the State of California. In addition to the banks and branches so acquired and converted into branches of Bank of Italy or its successor, Bank of Italy N. T. & S. A., and during the period between the organization of the Bank of Italy and respondent's incorporation, controlling stock interests or the banking business of approximately 87 other independent banks and branches of such banks had been acquired by companies or persons acting under the general direction of the said A. P. Giannini, which banking offices were subsequently closed, the banking business of each such closed office being absorbed by an existing branch or branches of said Bank of Italy or its successor, Bank of Italy N. T. & S. A.

(b) National Bankitaly Company. This corporation was affiliated with Bank of Italy N. T. & S. A. and succeeded to the business of Stockholders Auxiliary Corporation (a corporation organized in 1917 by A. P. Giannini for the purpose, among others, of facilitating the bank expansion activities of the Bank of Italy, above-described).

(c) Merchants National Trust & Savings Bank, Los Angeles, California. This bank was a national bank having its principal office in Los Angeles, California, and operating approximately 35 branches located in Los Angeles and vicinity.

(d) United Security Bank & Trust Company, San Francisco, California. This bank was a state bank organized under the laws of the State of California, having its principal place of business at San Francisco, California, and operating approximately 53 branches located throughout the State of California. This bank resulted from the merger in 1928 of the United Bank & Trust Company and the Security Trust Company of Bakersfield, California, both of such banks being state banks organized and operating in the State of California.

(e) French-American Corporation. This corporation was affiliated through common stock ownership with United Security Bank & Trust Company. At or about the time of respondent's organization the French-American Corporation owned controlling stock interests in a number of banks, including San Diego State Bank, San Diego, California; First National Bank, Berkeley, California; First Bank of Jamestown, Jamestown, California; Motherlode National Bank, Sonora, California; Second Avenue State Bank, Los Angeles, California; Bank of Oxnard, Oxnard, California; Placerville National Bank, Placerville, California; and Vallejo Commercial National Bank, Vallejo, California.

(f) Bank of America National Association. This bank was a national bank having its principal office and operating approximately 30 branches in the City of New York, New York.

(g) Bankitaly Company of America. This corporation was organized under the laws of the State of Delaware, having its principal office in San Francisco, California. It owned controlling stock interests in various subsidiary companies, including Americommercial Corporation (a corporation organized in 1924 by Stockholders Auxiliary Corporation and certain stockholders of Bank of America of Los Angeles, Los Angeles, California, to further facilitate the bank expansion activities of Bank of Italy, above-described), Banca D'America E D'Italia (a banking company formed under the laws of Italy, having its principal office in Milan, Italy, and operating approximately 37 branches throughout Italy), and Ameritalia Corporation (a banking affiliate of Banca D'America E D'Italia).

(h) California Joint Stock Land Bank. This corporation was organized by the Bank of Italy in 1919 under the provisions of the Federal Farm Loan Act.

(i) Bankitaly Mortgage Company. This corporation was organized by National Bankitaly Company in 1927 and engaged in the business of lending on mortgage loans in urban communities.

(j) Bankitaly Agricultural Credit Corporation. This corporation was organized by National Bankitaly Company in 1928 to make loans on country real estate.

PARAGRAPH THREE--Since its organization in 1928 respondent has continued, under the general direction of A. P. Giannini, to expand its banking interests by the acquisition, either directly or through one or more of its controlled companies or agents, of controlling stock interests in or the banking business of various independent banks which banks were at the time of such acquisitions in competition with one or more of the banks already controlled by respondent. As a result of such expansion respondent now controls approximately 49 banks, operating approximately 598 branches located in the States of California, Oregon, Nevada, Arizona and Washington, having aggregate deposits of approximately \$6,652,000,000. Of the banking offices so controlled by respondent approximately 555 are located in California, 60 in Oregon, 15 in Nevada, 7 in Arizona, and 10 in Washington. Of the banking deposits so controlled by respondent approximately \$5,716,000,000 are located in California, \$626,000,000 in Oregon, \$129,000,000 in Nevada, \$85,000,000 in Arizona, and \$96,000,000 in Washington. The banking offices and deposits controlled by respondent constitute the following percentages of the total banking offices and deposits in each of the five states above-named: In California approximately 50 per cent of all banking offices and 43 per cent of all deposits; in Oregon approximately 36 per cent of all banking offices and 44 per cent of all deposits; in Nevada approximately 60 per cent of all banking offices and 77 per cent of all

deposits; in Arizona approximately 13 per cent of all banking offices and 20 per cent of all deposits; in Washington approximately 4 per cent of all banking offices and 4 per cent of all deposits.

PARAGRAPH FOUR--Part of the expansion of respondent's banking interests was accomplished in the following manner: Respondent acquired, either directly or through one or more of its controlled companies or agents, the controlling stock interest in an independent bank and has continued to operate such bank as a separate institution, although controlled by respondent. Included among the banks so acquired by respondent since its organization in 1928 and now operated and controlled by it are the following:

<u>Year</u>	<u>Name of Bank</u>	<u>As of date of acquisition Branches</u>	<u>Deposits (Approx.)</u>
1928	Bank of Italy N. T. & S. A., San Francisco, California (Now Bank of America N. T. & S. A.)	283	666,944,000
1930	First National Bank, Portland, Oregon	--	46,174,000
"	Central Bank, Oakland, California (This bank was originally chartered in 1930 as the Bank of America, a state bank, to take over 58 branches of Bank of America of California, which merged with Bank of Italy N. T. & S. A. in that year to form Bank of America N. T. & S. A.)		
1934	First National Bank of Nevada, Reno, Nevada	--	6,741,000
1936	National Bank of Tacoma, Tacoma, Washington (Now National Bank of Washington)	1	14,499,000
1937	First National Bank, Forest Grove, Oregon	--	621,000
"	Farmers Bank of Carson Valley, Minden, Nevada	--	1,154,000
"	First National Bank of Arizona, Phoenix, Arizona	1	14,354,000
"	Phoenix Savings Bank & Trust Company, Phoenix, Arizona	--	3,881,000
"	Coolidge & McClaine, Silverton, Oregon	--	657,000
1938	First National Bank, Garden Grove, California	--	694,000
"	Bank of Sellwood, Portland, Oregon (Now Moreland-Sellwood Bank)	--	443,000
"	Clatsop County Bank, Seaside, Oregon	--	463,000

Year	Name of Bank	As of date of acquisition	
		Branches	Deposits (Approx.)
1940	First National Bank, Cottage Grove, Oregon	--	1,137,000
"	Bank of Pinole, Crockett, California	3	2,879,000
"	Central Bank of Calaveras, San Andreas, California	--	1,063,000
1941	First National Bank, Fairfield, California	--	722,000
"	First National Bank, Prineville, Oregon	--	852,000
"	Bank of Nevada, Las Vegas, Nevada	--	(Newly organized)
"	Temple City National Bank, Temple City, California	--	641,000
"	First National Bank, Weed, California	--	932,000
1942	First Trust & Savings Bank, Pasadena, California	1	16,799,000
"	Scio State Bank, Scio, Oregon	--	379,000
"	Bank of Sweet Home, Sweet Home, Oregon	--	552,000
1943	First National Bank, Bellflower, California	--	4,150,000
1944	First National Bank, Corcoran, California	--	1,924,000
"	First National Bank, Los Altos, California	--	712,000
"	Bank of Newman, Newman, California	3	4,267,000
"	First National Bank, Santa Ana, California	--	25,530,000
"	First National Trust & Savings Bank, Santa Barbara, California	--	9,739,000
"	Bank of Tehachapi, Tehachapi, California	--	1,014,000
1945	First National Bank, Crows Landing, California	--	2,196,000
"	First National Bank, Eugene, Oregon	--	34,806,000
"	First National Bank, San Jacinto, California	--	1,046,000
"	First Savings Bank, San Jacinto, California	--	594,000
"	Farmers & Merchants Bank of Watts, Los Angeles, California	--	3,861,000

Year	Name of Bank	As of date of acquisition	
		Branches	Deposits (Approx.)
1946	Benton County State Bank, Corvallis, Oregon	1	9,351,000
"	First National Bank Mountain View, California	--	3,821,000
"	First National Bank, Oakdale, California	--	8,055,000
"	Stanislaus County Savings Bank, Oakdale, California	--	3,409,000
"	First National Bank, Turlock, California	--	6,605,000
1947	Bank of Beaumont, Beaumont, California	--	2,205,000
"	Carlton State & Savings Bank, Carlton, Oregon	--	976,000
"	First National Bank, Delano, California	--	9,635,000
"	Yamhill State Bank, Yamhill, Oregon	--	1,502,000
1948	American Commercial & Savings Bank, Moorpark, California	--	1,246,000
"	Monroe State Bank, Monroe, Oregon	--	1,276,000
"	First National Bank of Lebanon Lebanon, Oregon	--	9,663,000
1949	State Bank of Malheur County, Ontario, Oregon	--	1,845,000

Each of the banks so acquired and now operated and controlled by respondent is engaged in interstate commerce within the purview of Section 7 of the Act of Congress approved October 15, 1914 (Clayton Act).

PARAGRAPH FIVE--A further part of the expansion of respondent's banking interests was accomplished in the following manner: Respondent, either directly or through one or more of its controlled companies or agents, acquired either a controlling stock interest in or the banking business of an independent bank and contemporaneously therewith or thereafter caused such independent bank and branches, if any, of such bank to be converted into a branch or branches of a bank already operated and controlled by respondent, and the banks and branches of such banks so acquired and converted are today operating as branches of one or more of the banks listed in Paragraph Four above. Included among the banks so acquired and converted since respondent's organization in 1928 are the following:

Year	Name of Bank	Number of banking	
		offices acquired and converted	Deposits (Approx.)
1928	Branches of Merchants National Bank, Los Angeles, California	23	
"	United Security Bank & Trust Co., San Francisco, California (Head office and 28 branches)	29	146,883,000
"	Branches of San Diego State Bank, San Diego, California	4	
"	First National Bank, Eureka, California	1	2,405,000

Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1928	Motherlode National Bank, Sonora, California	1	153,000
"	Bank of Oxnard, Oxnard, California	1	99,000
"	Vallejo Commercial National Bank Vallejo, California	1	1,707,000
"	First National Bank, Grass Valley, California	1	420,000
"	Northern California Bank of Savings, Marysville, California	1	3,305,000
"	First National Bank, Alturas, California	1	522,000
"	Central Bank of California Auburn, California (Head office and 4 branches)	5	1,460,000
"	Branches of Berkeley Bank, Berkeley, California	5	
"	First National Bank, Chino, California	1	427,000
"	Cloverdale Commercial & Savings Bank, Cloverdale, California	1	176,000
"	First National Bank, Colton, California	1	795,000
"	Bank of Dixon, Dixon, California	1	1,102,000
"	First National Bank, Exeter, California	1	558,000
"	First National Bank, Geyserville, California	1	331,000
"	Bank of Pacific Grove, Pacific Grove, California	1	1,274,000
"	Petaluma Savings Bank, Petaluma, California	1	3,109,000
"	Richmond Commercial & Savings Bank, Richmond, California	1	261,000
"	San Carlos Bank, San Carlos, California	1	171,000
"	State Bank of Ramona, Ramona, California	1	354,000
"	First National Bank, South Pasadena, California	1	566,000
"	Lassen Industrial Bank, Susanville, California (Head office and 1 branch)	2	1,383,000
"	Commercial Bank, Turlock, California (Head office and 1 branch)	2	1,727,000

Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1928	El Dorado County Bank Placerville, California	1	1,759,000
"	Dairymen's Coast Bank, Valley Ford, California (Head office and 2 branches)	3	2,033,000
"	Golden State Bank, Walnut Park, California	1	122,000
1929	The Oakland Bank, Oakland, California (Head office and 8 branches)	9	60,324,000
"	First National Bank, Porterville, California	1	3,228,000
"	Amador County Development Bank, Jackson, California	1	201,000
"	Citizens State Savings Bank, Gardena, California	1	256,000
"	National Bank of Hermosa Beach, Hermosa Beach, California	1	236,000
"	Bank of Isleton, Isleton, California	1	601,000
"	First National Bank, Long Beach, California	1	6,524,000
"	Arroyo-Seco State Bank, Los Angeles, California	1	861,000
"	Florence National Bank, Los Angeles, California	1	714,000
"	Branches of Pacific National Bank, Los Angeles, California	6	
"	Monterey Park Commercial & Savings Bank, Monterey Park, California	1	312,000
"	Bank of Norwalk, Norwalk, California	1	842,000
"	Bank of San Clemente, San Clemente, California	1	322,000
"	First National Trust & Savings Bank, Whittier, California	1	4,869,000
"	Commercial & Savings Bank of Sutter County, Yuba City, California	1	811,000
1930	Broadway Commercial & Savings Bank, Burlingame, California	1	294,000
"	George W. Bates & Company, Bankers, Portland, Oregon	1	1,430,000
"	Bank of East Portland, Portland, Oregon	1	1,018,000

<u>Year</u>	<u>Name of Bank</u>	<u>Number of banking offices acquired and converted</u>	<u>Deposits (Approx.)</u>
1932	Livestock State Bank, Portland, Oregon	1	324,000
"	Southeast Portland Bank, Portland, Oregon	1	(newly organized)
"	West Side State Bank, Los Angeles, California	1	613,000
"	First National Bank, Alhambra, California	1	2,243,000
1933	The Gresham Bank, Gresham, Oregon	1	(newly organized)
"	First National Bank, Sebastopol, California	1	269,000
"	Oregon State Bank, Portland, Oregon	1	405,000
"	American National Bank, Portland, Oregon	1	4,832,000
"	Montavilla Savings Bank, Portland, Oregon	1	(restricted)
"	First National Bank, Astoria, Oregon	1	1,328,000
"	First Inland National Bank, Pendleton, Oregon	1	1,950,000
"	Shute Savings Bank, Hillsboro, Oregon	1	(restricted)
"	First National Bank, Salem, Oregon	1	1,153,000
"	Bank of Woodburn, Woodburn, Oregon	1	(restricted)
1934	First National Bank, Condon, Oregon	1	170,000
"	First National Bank, Cucamonga, California	1	166,000
"	First National Bank, Puente, California	1	684,000
1935	Russ-Williams Banking Company, Ferndale, California	1	543,000
"	McCloud National Bank, McCloud, California	1	957,000
"	Wallowa National Bank, Enterprise, Oregon	1	577,000
"	First National Bank, LaGrande, Oregon	1	1,082,000
"	Commercial National Bank, Lakeview, Oregon	1	600,000
"	First National Bank, Medford, Oregon	1	2,667,000
"	First National Bank, Tillamook, Oregon	1	1,368,000
"	First National Bank, Union, Oregon	1	368,000

<u>Year</u>	<u>Name of Bank</u>	<u>Number of banking offices acquired and converted</u>	<u>Deposits (Approx.)</u>
1936	First National Bank of Southern Oregon Grants Pass, Oregon	1	1,460,000
"	First National Bank, Coquille, Oregon	1	617,000
"	First National Bank, Ashland, Oregon	1	1,183,000
"	First National Bank, Merrill, Oregon	1	431,000
"	First National Bank, Klamath Falls, Oregon	1	2,959,000
"	Sierra Valley Bank, Loyalton, California	1	321,000
"	Plumas County Bank, Quincy, California (Head office and one branch)	2	337,000
"	Bank of Milpitas, Milpitas, California	1	306,000
"	Citizens Bank, Laguna Beach, California	1	471,000
"	First National Bank, Fallbrook, California	1	303,000
"	California First National Bank, Long Beach, California	1	4,040,000
"	First National Bank, San Dimas, California	1	311,000
"	Westwood National Bank, Westwood, California	1	609,000
"	Branch of Bank of Inglewood, Los Angeles, California	1	
"	First National Bank, El Monte, California	1	907,000
"	Delta Bank, Rio Vista, California	1	541,000
"	First National Bank, Claremont, California	1	851,000
"	Bank of Point Arena, Point Arena, California	1	185,000
"	First National Bank, Downey, California	1	154,000
"	Crescenta Canada National Bank, Montrose, California	1	265,000
"	First National Bank, Del Rey, California	1	350,000
"	First National Bank, Atascadero, California	1	230,000
"	Calistoga National Bank, Calistoga, California	1	778,000

Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1936	Branches of Seaboard National Bank, Los Angeles, California	4	
"	Lumbermen's National Bank, Bend, Oregon	1	1,458,000
"	North Bend National Bank, North Bend, Oregon	1	384,000
"	United States National Bank, Newburg, Oregon	1	1,043,000
"	First National Bank, Elko, Nevada	1	2,407,000
1937	Farmers & Merchants National Bank, Eureka, Nevada	1	519,000
"	Kent National Bank, Kent, Washington	1	627,000
"	Auburn National Bank, Auburn, Washington	1	866,000
"	First State Bank, Bremerton, Washington	1	185,000
"	Castle Rock Bank, Castle Rock, Washington	1	535,000
"	Kalama State Bank, Kalama, Washington	1	358,000
"	Pasadena Savings Bank, Pasadena, California	1	579,000
"	Lindsay Savings Bank, Lindsay, California	1	801,000
"	First National Bank, Fontana, California	1	751,000
"	First National Bank, Glendora, California	1	530,000
"	First National Bank, Hynes, California	1	781,000
"	First Bank of Highland, Highland, California	1	393,000
"	First National Bank, Molalla, Oregon	1	376,000
"	First National Bank of Coos Bay, Marshfield, Oregon	1	1,690,000
"	First National Bank, Hood River, Oregon	1	1,629,000
"	Steiber & Carpenter Bank, Fossil, Oregon	1	241,000
"	First National Bank, Oregon City, Oregon	1	1,196,000
"	First State Bank, Las Vegas, Nevada	1	3,211,000

Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1937	Mason Valley Bank, Yerington, Nevada	1	302,000
"	Yuma Branch of Miners & Merchants Bank, Bisbee, Arizona	1	
"	Branches of Central Bank of Oakland, Oakland, California	2	
"	First National Bank of Arizona at Phoenix, Phoenix, Arizona	1	(Deposits included with First National Bank of Arizona listed in Paragraph Four, herein)
1938	Coffman-Dobson Bank & Trust Company, Chehalis, Washington	1	2,640,000
"	Toledo State Bank, Toledo, Washington	1	84,000
"	State Bank of Winlock Winlock, Washington	1	333,000
"	Bank of Alameda County, Alvarado, California (Head Office and 2 branches)	3	2,652,000
1943	First National Bank of Lamanda Park, Pasadena, California	1	1,830,000
1944	First National Bank, Clovis, California	1	1,909,000

PARAGRAPH SIX--A further part of the expansion of respondent's banking interests was accomplished in the following manner: Respondent, either directly or through one or more of its controlled companies or agents, acquired either a controlling stock interest in or the banking business of an independent bank and contemporaneously therewith or thereafter caused the banking business of such independent bank and branches, if any, of such bank to be transferred into an existing banking office already operated and controlled by respondent and thereupon caused the banking office of the independent bank so acquired to be closed. Included among the banks so acquired and caused to be closed by respondent were the following:

Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1928	Merchants National Bank, Los Angeles, California (Head office and 12 branches)	13	123,314,000
"	Branches of United Security Bank & Trust Company, San Francisco, California	25	

Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1928	Butte County Savings Bank, Chico, California	1	2,057,000
"	Bank of America, San Pedro (Los Angeles), California	1	599,000
"	San Diego State Bank, San Diego, California (Head office and one branch)	2	973,000
"	Bank of Lake, Lakeport, California	1	553,000
"	First National Bank, Berkeley, California	1	2,914,000
"	First Bank of Jamestown, Jamestown, California	1	151,000
"	Placerville National Bank, Placerville, California	1	453,000
"	First National Bank, Marysville, California	1	1,033,000
"	Second Avenue State Bank, Los Angeles, California	1	446,000
"	First National Bank, Auburn, California	1	459,000
"	Berkeley Bank, Berkeley, California (Head office and 1 branch)	2	5,110,000
"	Chino Savings Bank, Chino, California	1	189,000
"	First Savings Bank, Colton, California (Head office and 1 branch)	2	302,000
"	Security Savings Bank, Exeter, California	1	419,000
"	Sonoma County National Bank, Petaluma, California	1	1,525,000
"	First National Bank, Santa Rosa, California	1	559,000
"	Branch of Lassen Industrial Bank, Susanville, California	1	
"	First National Bank, Turlock, California	1	1,745,000
"	New First National Bank, Visalia, California	1	503,000
"	Security Savings Bank, Visalia, California	1	306,000
"	Vallejo Bank of Savings, Vallejo, California	1	1,325,000

Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1929	Branches of The Oakland Bank, Oakland, California	4	
"	First National Bank, Anaheim, California	1	3,602,000
"	First National Bank, Gardena, California	1	456,000
"	Graham National Bank, Los Angeles, California	1	386,000
"	First National Bank, Healdsburg, California	1	1,073,000
"	First Savings Bank, Healdsburg, California	1	948,000
"	Pacific National Bank, Los Angeles, California (Head office and 2 branches)	3	14,095,000
"	Donahue-Kelly Banking Company, San Francisco, California	1	2,156,000
"	Eagle Rock State Bank, Los Angeles, California	1	306,000
1930	First National Bank, Ventura, California	1	1,551,000
"	Home Savings Bank, Ventura, California (Head office and 1 branch)	2	1,649,000
"	Security Savings & Trust Company, Portland, Oregon	1	238,000
1931	Atlantic Avenue Bank, Bell, California	1	504,000
"	First National Bank, Ducor, California	1	216,000
1932	Branch of First National Bank, Alhambra, California	1	
"	First National Bank, Vacaville, California	1	213,000
"	Vacaville Savings Bank, Vacaville, California	1	288,000
"	First National Bank, Sonora, California	1	2,426,000
"	Tuolumne County Bank, Sonora, California	1	948,000
1933	First National Bank, Redondo Beach, California	1	821,000
"	First National Bank, Orland, California	1	399,000

Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1933	Bank of Lassen County, Susanville, California	1	1,262,000
"	Sebastopol Savings Bank, Sebastopol, California	1	579,000
"	Hibernia Bank, Portland, Oregon	1	1,797,000
"	National Bank of Commerce, Astoria, Oregon	1	841,000
"	State Bank of Echo, Echo, Oregon	1	79,000
1935	Fortuna State Bank, Fortuna, California	1	148,000
1936	State Bank of Ashland, Ashland, Oregon	1	289,000
"	First National Bank, Riverside, California	1	2,216,000
"	San Dimas Savings Bank, San Dimas, California	1	265,000
"	Bank of Inglewood, Inglewood, California (Head office and 1 branch)	2	1,787,000
"	Pomona Commercial & Savings Bank Pomona, California	1	789,000
"	First National Bank, Paso Robles, California	1	614,000
"	Ferndale Bank, Ferndale, California	1	857,000
"	Seaboard National Bank, Los Angeles, California (Head office)	1	13,491,000
1937	Central Bank of Oakland, Oakland, California (Head office)	1	37,664,000
"	Los Nietos Valley Bank, Downey, California	1	1,317,000
"	Covina Valley Savings Bank, Covina, California	1	980,000
"	First National Bank, Covina, California	1	1,050,000
"	First Central National Bank, Calexico, California	1	856,000
"	First Savings Bank, Glendora, California	1	608,000
"	Bank of Lakeview, Lakeview, Oregon	1	784,000
1938	First National Bank, Napa, California	1	3,948,000
1939	Estacada State Bank, Portland, Oregon	1	150,000

Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1940	Branch of Bank of Pinole, Crockett, California	1	
1941	Bank of Suisun National Association, Suisun, California	1	1,209,000
"	Winters National Bank, Winters, California	1	328,000
1942	Farmers & Merchants Bank, Gardena, California	1	710,000
"	Citizens National Bank, Ontario, California	1	1,481,000
1943	Bank of Galt, Galt, California	1	543,000
1944	Bank of Corning, Corning, California	1	1,752,000
"	First National Bank, Laton, California	1	932,000
"	Branch of Bank of Newman, Newman, California	1	
1948	First National Trust & Savings Bank, Fullerton, California	1	4,044,000

PARAGRAPH SEVEN--Commencing on or about May 18, 1943, and at various times thereafter respondent has attempted, either directly or through one or more of its controlled companies or agents, to acquire a controlling stock interest in the Citizens National Trust & Savings Bank, Los Angeles, California. In furtherance of such attempts respondent has acquired and now owns, either directly or through one or more of its controlled companies or nominees, approximately 58,937 shares of the said Citizens National Trust & Savings Bank, which number of shares represents approximately 23 per cent of the total number of shares of said bank now outstanding. Citizens National Trust & Savings Bank is a national bank operating through a head office and 33 branches, all located in Los Angeles County, California, having deposits of individuals, partnerships and corporations of approximately \$315,000,000. Citizens National Trust & Savings Bank is engaged in interstate commerce within the purview of Section 7 of the Act of Congress approved October 15, 1914 (Clayton Act). Should respondent acquire a controlling stock interest in such bank the number of banking offices which respondent controls in Los Angeles County, California, would be increased from approximately 157 to 191, or from approximately 42 per cent of all banking offices in Los Angeles County to approximately 51 per cent in such county; and the amount of deposits of individuals, partnerships and corporations which respondent controls in such county would be increased from approximately \$1,656,000,000 to \$1,971,000,000 or from 37 per cent to 45 per cent of all such deposits in such county.

PARAGRAPH EIGHT--Upon information and belief, that respondent, unless restrained, intends to and will further expand its banking interests

by acquiring the controlling stock interest in the Citizens National Trust & Savings Bank of Los Angeles, California, as well as controlling stock interests in other independent banks now operating or which in the future will be operating in the States of California, Oregon, Nevada, Arizona and Washington in competition with one or more of the banks now controlled by respondent.

PARAGRAPH NINE--The acquisition by respondent of the capital stocks of the banks listed in Paragraphs Four, Five and Six herein, as well as the acquisition by it of the stock of Citizens National Trust & Savings Bank, Los Angeles, California, was contrary to law in violation of Section 7 of the said Clayton Act, and the effect of such acquisition of such stocks may be, has been and is:

(a) To substantially lessen competition in the commercial banking business between some or all of such banks; or

(b) To restrain commerce in the commercial banking business in the sections or communities in which such banks were severally engaged at the time of such acquisition or in some of such sections or communities; or

(c) To tend to create a monopoly of commerce in respondent in the commercial banking business, particularly in banking offices, bank deposits and bank credit in the five-state area of California, Oregon, Nevada, Arizona and Washington or in various sections or communities in the said five states.

WHEREFORE, THE PREMISES CONSIDERED the Board of Governors of the Federal Reserve System on this 19th day of July, A. D. 1949, issues its amended and supplemental complaint against said respondent.

NOTICE

Notice is hereby given you, Transamerica Corporation, respondent herein, that the 22d day of August, A. D. 1949, at 10:30 o'clock in the forenoon, is hereby fixed as the time and the Federal Reserve Bank of San Francisco, Sacramento and Sansome Streets, City of San Francisco, State of California, as the place, when and where a hearing will be had on the charges set forth in this amended and supplemental complaint, at which time and place you shall have the right, under said Act, to appear and show cause why an order should not be entered by said Board requiring you to cease and desist from the violation of the law charged in this amended and supplemental complaint and to divest yourself of the stock of the Citizens National Trust &

Savings Bank, Los Angeles, California, and the stocks of any or all of those banks listed in Paragraph Four herein.

IN WITNESS WHEREOF, the Board of Governors of the Federal Reserve System has caused this, its amended and supplemental complaint, to be signed by its Secretary, and its official seal to be hereto affixed, at Washington, D. C., this 19th day of July, A. D. 1949.

By the Board.

(SEAL)

(Signed) S. R. Carpenter
Secretary.