

UNITED STATES OF AMERICA

BEFORE THE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

In the Matter of)
)
TRANSAMERICA CORPORATION)

RULINGS UPON PROPOSED FINDINGS AS TO THE FACTS

Having duly considered the proposed findings as to the facts submitted by counsel for the Board of Governors of the Federal Reserve System and by counsel for respondent, Transamerica Corporation, and the record herein, the Hearing Officer files the attached statement of his rulings upon said proposals.

Permission was granted counsel for each side to file a reply memorandum to the findings proposed by opposing counsel. It was not intended to grant leave, nor was leave granted, to file further proposed findings in addition to those originally filed on behalf of each party. In ruling upon the findings proposed and arriving at the findings made, consideration has been given to the reply memorandum filed by counsel for the Board, and to the so-called "Proposed Rebuttal Findings and Conclusions" submitted by counsel for respondent, the latter document having been considered as being the reply memorandum for which leave to file was granted.

(Signed) R. M. Evans
HEARING OFFICER.

June 13, 1951.

In the following rulings the numbers used refer to the numbered requests in the "Requested Findings of Fact Submitted by Counsel for the Board."

Nos. 1 through 14, 18 through 22, and 32 through 34.
Adopted in substance.

Nos. 15 through 17. Adopted as to the substance of the organization of respondent and its predecessors, but not in the form or detail presented.

Nos. 23 through 25, 27 through 31, and 35 through 41.
Rejected in the form presented. The principal facts of these proposals have been adopted, but the mass of supporting detail has not been adopted as being unnecessary and inappropriate in the findings made.

No. 26. Rejected in the form presented. This proposed finding purports to show the expansion of banks in the Transamerica group as separate entities. This individual expansion is material only as it became or was a part of the expansion of respondent. The basic facts concerning the expansion of the Transamerica group have been adopted, including general findings as to acquisitions and the intra-group absorptions, mergers, and consolidations; otherwise the proposal is rejected as immaterial.

Nos. 42 through 91, 93 through 128, and 130 through 173.
Adopted in substance but not in the form or detail presented.

No. 92. Adopted in substance as to Transamerica banks in Oregon and Nevada, and the Central Bank, Oakland; otherwise rejected as not supported by the record.

No. 129. Rejected as immaterial.

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In the following rulings the numbers used refer to the numbered requests in the "Proposed Findings and Conclusions Submitted to Hearing Officer Evans on Behalf of Respondent, Transamerica Corporation."

Nos. 1, 4, 10, 12, 13, 15, 16, 17, 25, 26, 32, 33, 34, 43, 106, 108, 118, 133, 135, 139, 141, 149, 153, 168, 172, and 243. Adopted in substance. No. 10 is adopted only to the extent that Transamerica is not itself directly engaged in commercial banking.

No. 2. The first sentence of this proposed finding has been adopted in substance, but the second sentence is rejected as immaterial.

No. 3. Adopted in substance, but rejected insofar as "for investment" implies solely for investment, this being contrary to the weight of the evidence.

Nos. 5, 20, 21, 22, 24, 37, 114, 122, 131, 132, 163, 164, 173, 183, 209, 238, 247, 250, 251, and 252. Rejected as immaterial.

No. 6. Adopted in substance as to the first sentence; otherwise rejected as not supported by the weight of the evidence.

Nos. 7, 8, 11, 19, 23, 35, 38, 41, 44 through 57, 152, 156, 157, 160, 165, 169, 170, 171, 174, 177, 178, 179, 184, 194, 195, 197, 233, 234, 244, 256, 258, and 259. Rejected as not supported by or contrary to the weight of the evidence.

No. 9. Rejected in form stated. Fees are collected by some subsidiaries.

No. 14. Rejected. The proportion of the assets of Transamerica represented by its holdings of bank stock is immaterial.

No. 18. Rejected in the form stated. The fact that some 2,300,000 shares of stock of Bank of America were distributed to stockholders in Transamerica in 1937 has been adopted. This stock then had a par value of \$12.50 per share and a market value of about \$46 per share.

No. 27. Adopted in substance, except the last sentence, which is immaterial.

Nos. 28 and 29. Rejected as being immaterial when separately stated as to Bank of America. The substance of the data on deposits and deposit accounts has been incorporated with other data in findings made.

No. 30. Adopted in substance, but the purpose stated is rejected as not the sole or even the most important purpose shown by the evidence.

No. 31. Adopted in substance as to the first sentence; otherwise rejected as immaterial.

No. 36. Adopted in substance as to number of shares and shareholders; otherwise rejected as immaterial.

Nos. 39 and 40. Rejected in the form presented. So far as material the facts contained in these requests are found in subparagraph (f) of Paragraph Five of the findings made.

No. 42. Rejected as not supported by the weight of the evidence, except as to the fact of a common directorship.

Nos. 58 through 105. Rejected in the form stated. This group of requested findings purport to show the growth and development of Bank of America as a separate entity. Bank of America as a separate institution is material here only insofar as it was a predecessor of Transamerica, and thereafter as a part of the Transamerica group. So far as material and supported by the weight of the evidence, the facts contained in these proposals have been directly or through consolidation with other facts incorporated in the findings made.

No. 107. Adopted as to the first sentence; otherwise rejected as not supported by the weight of the evidence.

Nos. 109, 112, 113, 115, 116, 117, and 235. Rejected in the form stated as immaterial.

No. 110. Rejected as immaterial except the last sentence, the substance of which has been adopted.

Nos. 111, 128, 137, and 143. Rejected as immaterial except as to the general fact of growth in population and wealth of the five-State area, which has been adopted.

No. 119. Adopted in substance, except as to "request" and reasons stated, the first being unsupported and the latter immaterial.

No. 120. Adopted in substance, except the statement concerning "request of that bank", which is rejected as immaterial and not established by the record, and the last two sentences, which are rejected as immaterial.

No. 121. Rejected in the form stated. The facts as to affiliates and as to applications to branch such affiliates have been adopted.

No. 123. Adopted in substance except as to the reasons stated, which are immaterial.

No. 124. Rejected in the form stated. This proposal is immaterial. Also see Transcript, pages 1736 and 1737.

Nos. 125 and 130. Adopted as to the substance of the first sentence; otherwise rejected as immaterial.

No. 126. Adopted only as to the fact of branches; otherwise rejected as immaterial.

No. 127. Adopted as to substance of the first sentence; otherwise rejected as immaterial.

No. 129. Adopted to the extent that the number of banking offices has been included in findings made; otherwise rejected as immaterial.

No. 134. Adopted as to substance of the first sentence, except "request", which is immaterial and unsupported; otherwise rejected as immaterial.

Nos. 136, 142, and 148. Adopted as to the fact that the bank operates branches; otherwise rejected as immaterial.

No. 138. Adopted as to the number of banking offices; otherwise immaterial, and the last clause is not supported by the record.

Nos. 140 and 147. Rejected in the form stated as immaterial, except that the facts as to deposits are included in totals in the findings made.

Nos. 144, 145, and 146. Adopted in substance as to the number of banking offices; otherwise rejected as immaterial.

No. 150. Adopted as to facts of branches; otherwise rejected as immaterial.

Nos. 151 and 166. Rejected in form stated; the general facts concerning competition have been found.

No. 154. Rejected in the form stated; the facts of acquisitions and attempted transfer of banks have been adopted in substance.

No. 155. Adopted in substance except the conclusion, which is rejected as not supported by the weight of the evidence.

No. 158. Adopted in substance as to the number of directorships; otherwise rejected as not supported by the weight of the evidence.

No. 159. Adopted to the extent shown in subparagraph (c) of Paragraph Four of the findings; otherwise rejected as immaterial.

Nos. 161, 162, 232, 253, 254, and 255. Rejected in the form stated as not supported by the weight of the evidence.

No. 167. Adopted to the extent shown in subparagraph (h-4) of Paragraph Five of the findings made; otherwise rejected as immaterial or unsupported by the weight of the evidence.

Nos. 175 and 176. Adopted to the extent shown in Paragraphs Seven and Ten; otherwise rejected as immaterial.

Nos. 180, 181, and 135. Adopted in the manner and to the extent appearing in Paragraph Seven of the findings; otherwise rejected as immaterial or not supported by the weight of the evidence.

No. 182. Rejected in the form stated; not supported as to short-term business credit, and otherwise immaterial.

Nos. 186 through 193, 196, and 198. Adopted to the extent shown in Paragraph Seven of the findings made; otherwise rejected as immaterial or unsupported by the evidence.

Nos. 199 and 200. Adopted only to the extent appearing in Paragraph Eight; otherwise rejected as not supported by the weight of the evidence.

Nos. 201 through 206, and 208. Adopted only to the extent appearing in Paragraphs Seven, Eight, and Ten; otherwise rejected as immaterial or not supported by the record.

No. 207. Adopted in substance so far as related to the five-State area; otherwise rejected as immaterial.

Nos. 210 through 216. Adopted to the extent appearing in Paragraph Eight of the findings; otherwise rejected as immaterial.

Nos. 217 through 229. Adopted only to the extent appearing in Paragraphs Seven and Eight of the findings; otherwise rejected as immaterial.

No. 230. Adopted as to the substance of the last sentence; otherwise rejected as not supported by the weight of the evidence, except as appears in Paragraph Ten of the findings.

No. 231. Rejected as not supported by the weight of the evidence, except as appears in Paragraph Ten of the findings.

Nos. 236 and 237. Rejected as immaterial, except to the extent appearing in Paragraph Eight of the findings.

No. 239. Rejected except as to approval of branches acquired or established.

No. 240. Rejected as unsupported except as appears in Paragraphs Seven and Ten of the findings.

Nos. 241 and 242. Rejected in the form stated. The general facts concerning acquisitions and competition have been found as appear in Paragraphs Seven, Eight, and Ten of the findings.

No. 245. Rejected as immaterial except the last clause, which is not supported by the evidence.

No. 246. Rejected. Immaterial whether complaints have been made, and otherwise not supported by weight of the evidence.

Nos. 248 and 249. Rejected. The merits of branch banking are irrelevant, and the statement of the effect of growth is not supported by the record.

No. 257. Adopted only to the extent shown in Paragraph Eight of the findings. The conclusion is not supported by the weight of the evidence.

Nos. 260 and 261. Rejected in the form stated. Paragraphs Seven, Eight, and Ten of the findings state the facts and conclusions warranted by the record on these points.

No. 262. Rejected in the form stated; the material and supported facts respecting this appear in Paragraph Nine of the findings.

No. 263. Rejected. As to these banks, it is now immaterial whether acquisition was through purchase of stock or purchase of assets.

Nos. 264 through 274. Rejected except as appearing in Paragraph Ten. These requested findings are conclusory in character. To the extent they conflict with or do not appear in the findings and conclusions made upon the whole record, they are rejected as immaterial or unsupported.

Nos. 275 through 278. Rejected. These ultimate conclusions are not, upon the whole record, supported by the weight of the evidence.

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In addition to the findings and conclusions made in response to requests by counsel for the Board and counsel for respondent, the Hearing Officer has made such additional findings and conclusions as are believed appropriate and warranted by the record in the proceeding.