

April
Seventh
1922

Mr. E. P. Werner,
Pacific Finance Building,
Los Angeles, California.

My dear Mr. Werner:

Confirming our verbal conversation when in Los Angeles yesterday, will say that day before yesterday I was in San Francisco discussing with the Murray Estate an equitable adjustment in the matter of a demand note of the Morse Construction Company, amounting to \$13,680.00, bearing date of December 30, 1916, on which \$6,000 had been paid August 13, 1920, leaving a balance of \$7680.00, principal and interest.

This note is now held by the Murray Estate for collection. At the time that note was executed, I owned one-half the stock of the Morse Construction Company and I am a half owner today. The Morse Construction Company has agreed to pay and the administrator has agreed to accept \$3,000 in full settlement for this note, as a matter of justice and equity, providing the inheritance department will acquiesce in this settlement. This is an equitable settlement, and in order to lay the matter fully before you and your department, the following data will no doubt be of interest.

A man named Kelly, owning 3,000 or 4,000 acres of land between Pine Hills and Cuyamaca Lake, well timbered with pine and oak, was planning to sell this timbered land to a saw mill outfit, thereby destroying one of our most beautiful sections in San Diego County. I am very much interested both in Pine Hills and Cuyamaca, and it seemed to me a crime to cut this timber. I did not have the finances to acquire this timber, and I called Mr. Murray's attention to the necessity of preserving that timber to protect our watershed area which Mr. Murray and I owned at that time - the Cuyamaca System which system we own today. I urged Mr. Murray to buy it all, and he refused, but said he would take a part interest if I could get others to buy as well. I went to Los Angeles, saw my

friend C. A. Canfield, also the F. & W. Thum Company of Pasadena. Each of them gave me a check for \$10,000, the understanding being that I was to divide this land into three equal parts, or one third to each party, including Mr. Murray, and that a road was to be built thru the property at an early date and each party was to pay for the construction of same thru his land. Both by telegram and letter I notified Mr. Murray what the agreement was before I asked him to up his money, and at the time I wired him for the money I mentioned it as a condition.

He paid my draft without a kick. Later he came down and traveled with Morse and myself over the roads that had been built thru the Canfield and Thum properties, and he instructed us verbally to go ahead and build the road thru his property connecting up Cuyamaca Lake with Pine Hills. We did not get an agreement from him in writing at the time, but we were building roads for him in different places without anything in writing. We had built the roads both thru the Canfield and Thum properties at actual cost plus 10 percent for overhead, and we built several other roads for Mr. Murray on that same basis, the Morse Construction Company being in the road construction business.

When the road was completed Mr. Murray went over it with us, approved it, went to my sister and asked for a statement, and that was furnished him - a complete statement of the payroll and total cost. Our profit was only \$500 or \$600, the rest of it being cash outlay on our part for labor, material, etc. The total amount of the bill was \$5824.17. As I was owing Mr. Murray considerable money and was borrowing a good deal from him to carry my end in the Cuyamaca Water Company, the matter went on for some time, Mr. Murray never having made any protest, but not paying the bill.

In the meantime the Morse Construction Company had borrowed considerable money from Mr. Murray to buy mules, equipment, etc., and when the time came that we did ask him to pay this bill, he refused. The truth is the old man must have forgotten, and being along in years I laid it to that, however, Mr. Murray has never insisted upon the Morse Construction Company paying the balance due him on the note; and I have always felt that he never intended to insist upon collection, for the grading bill more than offset it, if we had been paid interest on the original cost of grading.

The facts are we built over three miles of mountain road for less than \$6,000. We paid out the hard cash to build a road thru his land, the only road today that exists. We did it on his verbal authority, but, unfortunately Morse is dead and Murray is dead also.

Mr. Morse and I had been friends for twenty odd years. He was friendly to me as a boy, and in return when he asked me to go in with him in the contracting game, I did so. We started in a small way and had made \$20,000 or \$30,000 in years of hard work, altho I had financed all of the projects and had never drawn any salary. The time came when Mr. Morse took contracts in East San Diego amounting to \$120,000 or \$130,000, grading city streets. We dropped every dollar we had ever made, and when Mr. Morse died there was nowhere near enough assets to pay off the liabilities. The Morse Construction Company has no assets today whatever. I have never repudiated an honest debt in my life and am, if forced to, in a position to pay this obligation. All the other obligations the Morse Construction Company is paying, but justice and equity demands an equitable adjustment on this note.

Mrs. Murray is familiar with this matter, and both she and the executor, Mr. W. S. E. Brown, have agreed to this settlement of \$3,000, providing the inheritance tax is based on the \$3,000 valuation of this note instead of its face and interest. All of the correspondence and records of this case are here subject to your inspection.

I would like to hear from you as to what the attitude of the state will be in this matter that I may report same to the executor and get an early and equitable adjustment.

Thanking you for your interest in this matter,

I am

Sincerely yours,

EF:KLM

May 20, 1922

Mr. E. P. Werner,
Pacific Finance Building,
Los Angeles, California.

My dear Mr. Werner:

Enclosed find letter which is explanatory. Drop me a line confidentially and let me know what it really means, and what in your opinion will be the final outcome. Kindly return letter with your reply.

Yours very truly,

EF:KLM

RAY L. RILEY
CONTROLLER
C. E. COOPER
DEPUTY CONTROLLER
RALPH W. SMITH
INHERITANCE TAX ATTORNEY

State of California
Inheritance Tax Department
State Controller's Office

LOS ANGELES, CALIFORNIA

May 31, 1922.

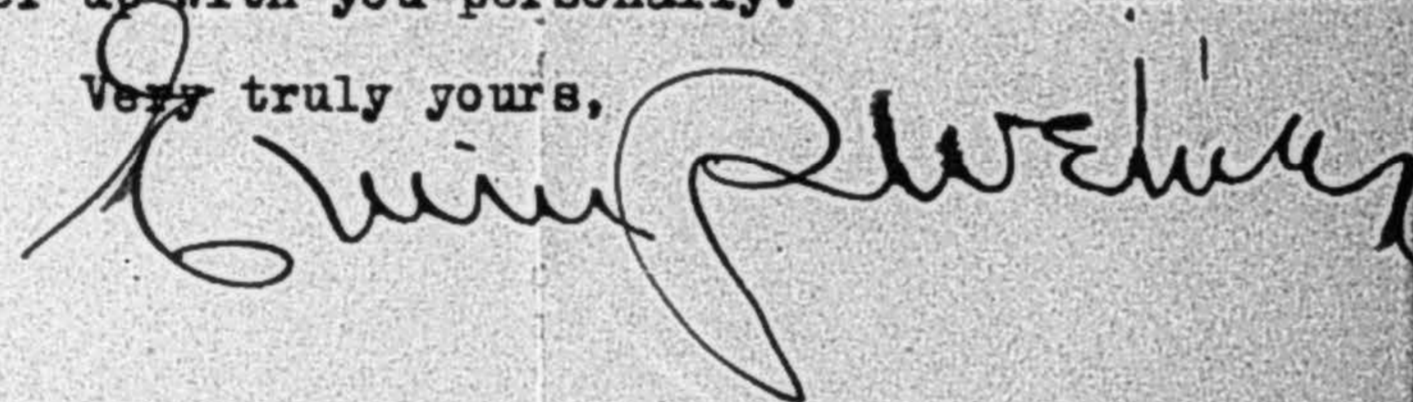
Mr. Ed Fletcher,
Fletcher Building,
920 Eighth Street,
San Diego, California.

My dear Mr. Fletcher:

Your letter with refer-
ence to the James A. Murray estate received,
also the enclosure.

I will be in San Diego
some time within the next ten days and will
take the matter up with you personally.

Very truly yours,



W:O

ASSISTANT INHERITANCE TAX ATTORNEYS

H. C. LUCAS
HUMBOLDT BANK BUILDING
SAN FRANCISCO

ERWIN P. WERNER
PACIFIC FINANCE BUILDING
LOS ANGELES

June 5, 1922

Mr. Erwin P. Werner,
1015 Pacific Finance Bldg.,
Los Angeles, Calif.

My dear Mr. Werner:

Answering yours of the 31st, enclosed find
copy of letter I received from Mr. Atteridge which is
explanatory.

Will be glad to see you the next time you come
down and challenge you to a game.

I am sending the enclosed letter so in case I
am out of town you can have the use of the Club.

Yours very truly,

EF:KLM

5 June 1929.

→ Mr. Erwin P. Werner,
510 West 6th St.,
Los Angeles, California.

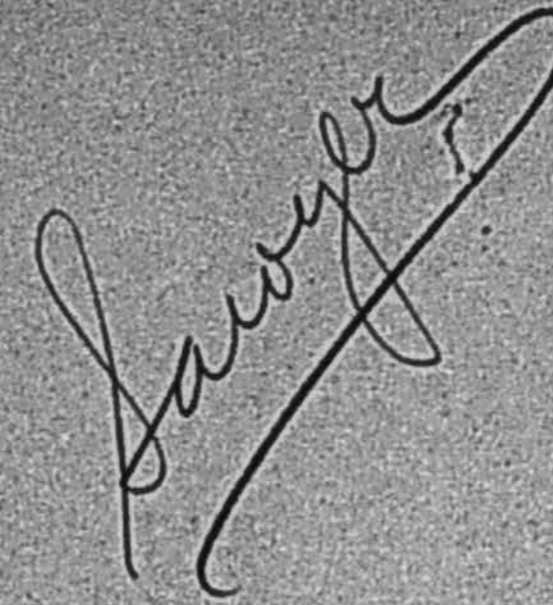
Friend Werner:-

I have been watching your fight here with interest, and it is a pleasure today to write you a letter of congratulation. I am proud of you.

With kindest personal regards,

Sincerely yours friend,

EF:RML



June 6, 1922

Mr. E. P. Werner,
Pacific Finance Building,
Los Angeles, Calif.

My dear Mr. Werner:

Enclosed find letter which is explanatory. If you have any influence with the Commissioner of Corporations, I would appreciate it if you would telephone to him and tell the new Commissioner what kind of a duck I am, and whether I can make good or not.

Anything you can do in this matter will be appreciated.

Yours sincerely,

EF:KIM

RAY L. RILEY
CONTROLLER
C. E. COOPER
DEPUTY CONTROLLER
RALPH W. SMITH
INHERITANCE TAX ATTORNEY

ASSISTANT INHERITANCE TAX ATTORNEYS

H. C. LUCAS
HUMBOLDT BANK BUILDING
SAN FRANCISCO

ERWIN P. WERNER
PACIFIC FINANCE BUILDING
LOS ANGELES

State of California
Inheritance Tax Department
State Controller's Office

LOS ANGELES, CALIFORNIA

June 7, 1922.

Mr. Ed Fletcher,
c/o Ed Fletcher Co.,
Fletcher Building,
San Diego, California.

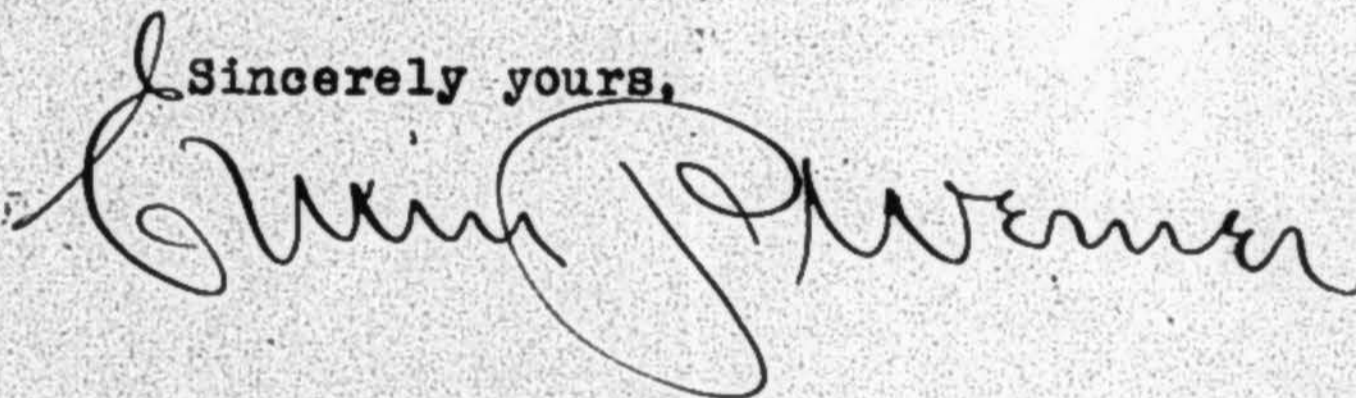
My dear Mr. Fletcher:

Your letter in refer-
ence to the S. L. Studio-San Diego, received
this morning and I have taken the matter up
with the Corporation Commissioner and was
informed that there would be no objection
to the continuance of thirty or sixty days,
which you asked for in your letter.

Hoping this is satis-
factory, I am

Sincerely yours,

W:O



Ed Fletcher Papers

1870-1955

MSS.81

Box: 33 Folder: 12

General Correspondence - Werner, Erwin P.



Copyright: UC Regents

Use: This work is available from the UC San Diego Libraries. This digital copy of the work is intended to support research, teaching, and private study.

Constraints: This work is protected by the U.S. Copyright Law (Title 17, U.S.C.). Use of this work beyond that allowed by "fair use" requires written permission of the UC Regents. Permission may be obtained from the UC San Diego Libraries department having custody of the work (<http://libraries.ucsd.edu/collections/mscl/>). Responsibility for obtaining permissions and any use and distribution of this work rests exclusively with the user and not the UC San Diego Libraries.