

MUNICIPAL BOND COMPANY

OFFICERS:
 GURDON W. WATTLES, CHAIRMAN
 H. H. COTTON, CHAIRMAN EXECUTIVE COMMITTEE
 A. G. QUIRK, PRESIDENT
 JAMES O. MOORE, VICE PRESIDENT
 B. P. HALL, VICE PRESIDENT
 RALPH A. COOR, VICE PRESIDENT
 CLARENCE J. WALKER, SECRETARY AND TREASURER
 J. H. WOOD, AUDITOR

1110 BANK OF AMERICA BUILDING
 650 SOUTH SPRING STREET

TELEPHONE TRINITY 3801

LOS ANGELES

April 2nd, 1930

DIRECTORS:
 J. BAUM
 LOUIS M. COLE
 H. H. COTTON
 L. W. DENISON
 B. P. HALL
 IRVING H. HELLMAN
 MARCO H. HELLMAN
 R. H. LACY
 JAMES O. MOORE
 A. G. QUIRK
 THOMAS C. RIDGWAY
 V. H. ROSSSETTI
 THOMAS M. STORRE
 RUSSELL M. TAYLOR
 GURDON W. WATTLES

April First,
 1930

Mr. H. H. Cotton,
 650 So. Spring,
 Los Angeles, Calif.

Dear Mr. Cotton:

Confirming our conversation yesterday by 'phone will say that I think you Mr. Quirk made a mistake in not accepting the definite offer made by me to buy the Murray Estate property for \$10,000, the 60 or 65 acres; the Southern Title property known as the R. K. Walter 25 or 30 acres for \$3000; and my acreage for \$1000, all in El Cajon Acres, on easy terms, 25% down and 25% each year with 6% interest.

As this offer has been refused I shall proceed along lines of getting someone else interested with me and make the best settlement with you possible.

Mr. Hotchkiss told me five or six weeks ago the offer to settle that he had made you and which you refused covering the property Mr. Hotchkiss is interested in. Since then Mr. Hotchkiss has told me he has settled with you but would not tell on what basis.

I am willing to settle for my personal property in El Cajon Acres Nos. one and two covering my own property on the same basis that you have settled with Mr. Hotchkiss.

Are you willing to extend the same courtesy to Mr. Walter and the Murray Estate as well as myself that you have to Mr. Hotchkiss in the matter of settlement?

If not, will you consider a proposition of putting the three properties in escrow with the title company, you putting your bonds there and we undertaking to sell the property and from the first sales a 30% commission is to go to the broker who puts on the campaign and after that any monies that come in from the sale of the property to go to you until you get fifty cents on the dollar for the bonds as suggested by your Mr. Quirk, the understanding being that any

Col. Ed Fletcher,
 1020 - 9th St.,
 San Diego, California.

Dear Sir:

Your letter of April 1st received and after talking with Mr. Quirk, we would be willing to make you any of the three following propositions:

First, that we deposit the bonds in escrow with some bank or trust company in San Diego with instructions on our part and an agreement on your part, that the yearly installments on the bonds will be met both as to principal and interest for the first five periods and that upon the payment of the first five year coupons, we will instruct the trust company to either turn the bonds over to you without further consideration or to cancel same of record.

Second, that you will cause the three properties to be deeded to one of the trust companies in San Diego for the benefit of Municipal Bond Company, the Municipal Bond Company to enter into an agreement to sell and you to enter into an agreement to buy at a price of 62½% of the face value of the bonds. The 62½% of the face value of the bonds would be paid within three years from the date of the escrow, the same to be paid either in cash or in bona fide interest bearing contracts on which payment will be guaranteed.

Third, you will cause the property to be deeded to a trust company in which a payee's interest to the Municipal Bond Company will be set up, the amount to be 62½% of the face value of the bonds, you to make a payment on the said 62½% of the face of the bonds in the amount of 10% cash, release prices to be distributed over the lots in accordance with their values, you to have three years in which to dispose of the property at which time all unsold property will become the property of Municipal Bond Company and all contracts in good standing then in existence will become your property subject only to the unpaid balance of

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property unsold within a two year period reverts automatically to you without any further consideration.

The above is just a suggestion. I hope we can work out something some way that will be satisfactory to you.

Yours very truly,

EF:AK

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Col. Ed Fletcher - 4/2/30

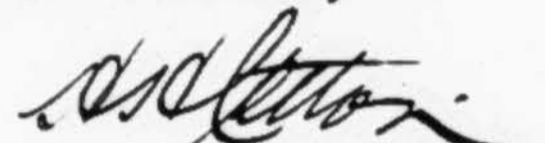
the release prices on said contracts, if any.

I will be glad to get your re-action on which of these three propositions you seem to favor.

As you realize, we are taking a very substantial loss on this project under the most favorable conditions, and in addition thereto are putting ourselves in a frozen condition for a long period of time, all to the end that a rather unsavory proposition can be worked out.

Sincerely yours,

MUNICIPAL BOND COMPANY,


Vice President

HHC:RS

April Fourteenth,
1 9 3 0

Municipal Bond Company,
650 South Spring Street,
Los Angeles, California.

Attention Mr. H. H. Cotton, V. Pres..

My dear Mr. Cotton:

Answering yours of the second, I received a letter yesterday from the Murray interests refusing to make any settlement on the basis of your letter of the second, but they have offered me the sale of their property at \$10,000 - sixty-five acres.

Mr. Walter has offered to sell me his piece at \$100 an acre. It can be bought on very easy terms.

What I now propose to do is to get some one to take this property over. I am so loaded up with property that it is foolish for me to take on anything else but I am sure if you will give me time I can work the proposition out.

I only own eight or ten acres in the tract personally and never did own any more. You can have it for \$1000 or I will settle for my ten acres on the same basis that you settled with Mr. Hotchkiss and I think I can get Mr. Walter to do the same.

If you could get a guarantee satisfactory to you that the last five installments of principal and interest would be paid on the Murray, Walter and my property would you cancel the first five year payments of principal and interest?

An early reply would be appreciated.

Sincerely yours,

EF:AK

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1110 BANK OF AMERICA BUILDING
 650 SOUTH SPRING STREET

TELEPHONE TRINITY 3801

LOS ANGELES

April 16th, 1930

DIRECTORS:

J. BAUM
 LOUIS M. COLE
 H. H. COTTON
 E. W. DENISON
 B. P. HALL
 IRVING H. HELLMAN
 MARCO H. HELLMAN
 R. H. LACY
 JAMES O. MOORE
 A. G. QUIRK
 THOMAS C. RIDGWAY
 V. H. ROSSETTI
 THOMAS H. STORKE
 RUSSELL MCD. TAYLOR
 GURDON W. WATTLES

Col. Ed Fletcher,
 1020 Ninth St.,
 San Diego, California.

Dear Sir:

Your letter of April 14th received in which you outline several propositions for purchasing property in the San Diego and Chase Avenue Improvement District. We are evidently laboring under a misapprehension as my interpretation of this matter was that we already owned the property at a price a great deal higher than it could possibly be worth, and realizing that fact, we had offered you for yourself and clients, a very substantial discount and a very easy method for retrieving something out of the wreck if it was possible. We were very materially cutting our investment in the property to meet the conditions that existed. I would be willing to make you one further proposition and if any of the previous propositions or this one is not accepted, I believe that there is then only one recourse and that is to take possession of the property by what legal means we have at our command.

The proposition that I would recommend to our Board would be that you and your clients deed the property to a trust company with instructions that the property is to be held for our account and we in turn will grant to you, the option to sell or re-purchase the said property any time within eighteen (18) months from the date of the escrowing at a figure which would amount to seventy per cent (70%) of the face of the bonded indebtedness against the property, and if at the end of the 18 month period, you do not exercise the option, that any right, title or interest in the property or the proceeds thereof shall fully revert to this company. This proposition would be predicated upon your people at this time paying any back taxes or water assessments now due and unpaid on the property.

Very truly yours,
 MUNICIPAL BOND COMPANY

[Signature]
 Vice President.

HHC:RS

April 17, 1930.

Municipal Bond Company,
 650 So. Spring Street,
 Los Angeles, California.

Gentlemen:

Confirming our understanding will say that I will settle on the same basis made with Mr. Hotchkiss, for the land that I own in El Cajon Acres, about 8 or 10 acres, and/or I will accept the proposition on the same basis that you have made with Mr. Davies, both for myself and Mr. Walters.

I will recommend to the Murray Estate that they put theirs in as well. I am very sure they will accept my recommendation, and under the terms of the Davies agreement it will give me time to get someone interested in the development of the property. It ought all to be in one control, with a uniform building restriction and it is my desire to see that property developed right for the benefit of the surrounding territory.

Yours very truly,

EF:KLM

P. S. Since writing the above I have telephoned Mr. Brown in San Francisco and providing the terms of the contract meets his approval as an attorney the Murray Estate will join in on the same proposition as made by Mr. Davies. I will go further and even recommend that Mr. Walter and the Murray Estate pay the state, county and district taxes that are now delinquent.

E.F.

May Fourteenth,
1 9 3 0

Mr. H. H. Cotton, Pres.,
Municipal Bond Company,
650 So. Spring Street,
Los Angeles, California.

My dear Mr. Cotton:

Enclosed find copy of telegram from Mr. Brown that is explanatory. Also, enclosed find copy of my letter to Mr. Brown in reply.

I wish you would take the matter up direct with Mr. W. S. K. Brown; 1606 Russ Building, San Francisco and send up a contract for the signature of Stuart Haldron.

Will you also please make a separate contract in the name of R. K. Walter who owns thirty acres in the tract? Send the papers to me for signature.

Attached hereto is the legal description of the Walter property.

W. S. K. Brown is attorney for Stuart Haldorn and will furnish you the legal description of the property which they own.

Yours very truly,

EF:ASK

May Twenty-first,
1 9 3 0

Mr. H. H. Cotton, Pres.
Municipal Bond Company
650 So. Spring Street,
Los Angeles, California.

My dear Mr. Cotton:

Enclosed find letter from W. S. K. Brown that is explanatory. How shall I answer him?

He is passing the buck back to me in a way.

An early reply would be appreciated.

Yours very truly,

EF:ASK

MUNICIPAL BOND COMPANY

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 CLARENCE J. WALKER, VICE PRES. SECY-TREAS.
 J. H. WOOD, AUDITOR

825-829 BANK OF ITALY BUILDING

TELEPHONE MAIN 9128

SAN DIEGO

May 23rd, 1930.

Colonel Edward Fletcher,
 1024-9th Street,
 San Diego, Calif.


Dear Colonel Fletcher:

In line with our conversation this morning regarding that property owned by you in El Cajon Acres and El Cajon Acres #2, I am submitting you herewith a list of lots as shown by our books, together with the face amount of the bonds covering the same. This does not take into consideration the past due interest on the proposition. The total amount of the bonds is \$9,601.62 and on a settlement basis, there would be due from you a payment of \$2,880.40 in cash, which would be 30% of the face of the bonds, not figuring the interest, and an additional amount of \$573.00 which you would give us, an obligation to pay out of the sale of the above described lots, when and if sold. This is the same proposition as I made to Mr. Hotchkiss.

Upon your acceptance of this proposition, I will immediately send the bonds for deposit to the Bank of Italy at San Diego, with instructions to deliver the same to you upon payment of the money, and you will at that time send us your obligation covering the balance of the payment as outlined above.

Yours sincerely,

MUNICIPAL BOND COMPANY,


 President.

HHC:EG
 Encl.

Property owned by Ed. Fletcher

Series 8

<u>Bond No.</u>	<u>Asst. No.</u>	<u>Lot</u>	<u>Blk.</u>	<u>Tract</u>	<u>Amount</u>
404	423	42	—	EL CAJON ACRES	\$ 753.75
405	424	43			753.73
409	428	47			717.40
410	429	48			717.40
411	430	49			717.40
414	433	52			1045.59
415	434	53			1048.55
416	435	54			720.35
417	436	55			720.35
418	437	56			720.35
52	52	176		EL CAJON ACRES #2	729.78
58	58	182		"	<u>956.99</u>
					\$9,601.62

June Second,
1 9 3 0

Mr. H. H. Cotton, Pres.,
Municipal Bond Company,
650 Sp. Spring,
Los Angeles, Calif.

My dear Mr. Cotton:

Answering yours of the twenty-eighth I acknowledge receipt of the contracts with Walter. These will be signed by Walter in case he does not accept the cash settlement.

My understanding when you were here is to the effect that you would prefer to sell the bonds on the same basis that you sold to Hotchkiss rather than sign up a three year contract. Am I not correct?

On the Villa Caro matter I am getting in touch with the different property owners and hope to have something definite to submit to you in the near future.

My one regret is that we ever started either of these projects. It has been a loss to me and to my family but it is only a matter of holding the property until conditions get normal again.

I am loaded down with real estate and having a hard time to pay my taxes but as I stated to your Mr. Moore and to you once before if you prefer to have the El Cajon Acres property deeded to you without any consideration I will see that it is done in preference to your taking this loss that you are so kindly offering to take.

Notwithstanding what any man may have told you to the contrary, I have made no money on this El Cajon Acres job. Mr. Brown and Mr. Haldorn approved the project from the beginning and when the petition was filed none of us knew that there was any thought of including either sewers or storm drains. Neither did our original petition include Adams Subdivision or the other properties

#2

that have made us so much trouble. These were taken in by the Board of Supervisors and the engineer appointed by the supervisors without consulting me and according to my understanding, at the request of the city trustees of the city of El Cajon who insisted upon the installation of sewers over the whole project so Mr. King, the engineer, says and it was Mr. Childs, the county engineer, who demanded the storm drain before he would approve the plans.

My criticism of Mr. King is that he did not go before the Board of Supervisors and protest the storm drain and smoke the county engineer out in the open.

Did you get my letter of the twentieth-ninth?

Yours very truly,

EF:ASK

MUNICIPAL BOND COMPANY

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1110 BANK OF AMERICA BUILDING

650 SOUTH SPRING STREET

TELEPHONE TRINITY 3801

LOS ANGELES

June 5th, 1930.

Mr. Ed Fletcher,
 1020 Ninth St.,
 San Diego, California.

Dear Ed:

To go back over our conversation of the 3rd instant, I wish to say that in line with the understanding as written to you by Mr. Cotton under date of May 23rd, we will accept full settlement on El Cajon Acres and El Cajon Acres No. 2 property owned by you upon which we own bonds totaling the face value of \$9,601.62 for the sum of \$2,880.40 which is 30% of the face value of said bonds, not including any interest, said amount to be paid as follows:

\$500.00 in cash and two notes for \$1190.20 each, the first note due in 60 days from June 3rd and the second note due 120 days from June 3rd, with interest thereon at the rate of 6%, we to hold the bonds as collateral security until the notes are paid, provided however that the said notes are accompanied with an obligation executed by yourself that you will cause to be paid to the Municipal Bond Company, an additional amount of \$576.00, said amount to be paid out of the first sales of the above lots involved under the bonds. A list of the said lots together with their bonded debt accompanied Mr. Cotton's letter to you of May 23rd. This obligation shall be in such form as to properly insure our lien in that amount on the said lots until it is satisfied.

This is your own proposition and we are glad to accept it to accomodate you.

Kindly forward the cash together with the two notes dated as of June 3rd, at your early convenience.

Regarding the Villa Caro matter, we are not interested in what you do with any of the other property owners but made

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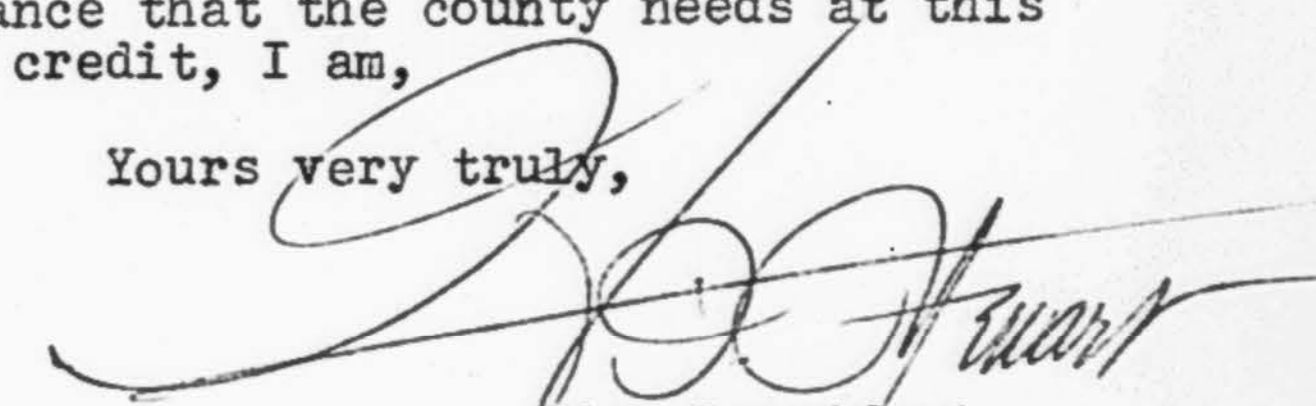
Mr. Ed Fletcher - Sheet #2

a price to you that would allow you some lee-way in your negotiations with them. As I said to you the other day, we are interested in clearing up some of the small affairs but the larger affairs of our company, we will carry until the final analysis proves what we all believe that eventually San Diego County will come into its own.

At any time that you have anything to take up with our company, it might be well to call on Mr. Ernest Marquardt who represents us in San Diego, or call me on the telephone direct.

Assuring you of our appreciation of your co-operation and the assistance that the county needs at this time to re-establish its credit, I am,

Yours very truly,



Vice President

HFS:RS

June Fifth
1 9 3 0

Mr. H. H. Cotton, Pres.
Municipal Bond Company
650 So. Spring
Los Angeles, California.

My dear Mr. Cotton:

Answering yours of the 4th will say I apologize for the error, but I understood when you were here with Mr. Stewart if you could get cash you would make the same settlement with the Murray Estate and Mr. Walters that you would with me. I cannot accept any settlement that Mr. Walters and the Murray Estate are not accorded the same privilege, at least, not without their knowledge and consent.

Not hearing from you after talking with Mr. Stewart I sent you a deed to the property, It is not encumbered except for the improvement cost.

I am sure Mr. Walter will sign the 62¢ agreement with the understanding of a 50% discount if paid within a year. He has always taken my recommendation heretofore.

Mr. Brown and Mr. Holdorn are the most aggravating people about answering letters I ever saw. They only meet about once every two weeks. Both are indifferent and don't give a damn whether school keeps are not. If I don't hear from them in the near future I will see them in San Francisco. I am going up to see my son, Lawrence, graduate from the Stanford Law School a week from Monday.

I don't believe anyone can straighten this matter out sooner than I can and I will be glad to do it without any compensation from you. Please be a little patient.

Yours very truly,

EF:EK

June Sixth
1 9 3 0

Mr. H. H. Cotton, Pres.
Municipal Bond Company
650 So. Spring
Los Angeles, California.

My dear Mr. Cotton:

Enclosed find letter from Mr. Brown that is explanatory. I am sorry that I misunderstood you but I don't think Stuart is going to accept it anyway, however, I am going North a week from Sunday and will telephone him for a personal engagement and try to get the matter settled for you one way or another.

Under no condition can I accept your kind offer of cash settlement without letting Stuart Holdorn and Brown know because we have all been too friendly and there might be a misunderstanding.

As the Murray estate owes at least a third to a half of the entire indebtedness it is a big item. After I sent you the deed to the lots that I own in El Cajon Acres I got a telegram from Mr. Hugh Stewart. My offer of \$500.00 down and the balance paid over a period of two to four months had been accepted and I got confirmation of that today by letter.

The last time you were here in my office I was in a position to pay cash and settle with you on the same basis as Mr. Hotchkiss, but I was unexpectedly called on to pay certain notes that I thought I could get extended and certain moneys failed to come in that I expected with the result that it made me as hard up as the devil. The only way that I could have made the payment in any way was to have sold my bank stock which I hate like the dickens to do. Please let the matter stay at rest until I get home from a personal visit with Stuart Holdorn and I will see Mr. Walter in Los Angeles on my return and see you in Los Angeles at the same time.

Once we get Stuart Holdorn and Walters out of the way I will help you to mop up the other smaller holdings. It is my understanding now that you will settle for fifty cents on the dollar with any other smaller holdings in El Cajon Acres if they pay cash or clean up the whole thing in six months.

Please let me hear from you.

Yours very truly,

EF:FK

June Ninth,
1 9 3 0

Mr. H. H. Cotton, Pres.,
Municipal Bond Company
650 So. Spring,
Los Angeles, Calif.

My dear Mr. Cotton:

Enclosed find letter from Mr. R. K. Walter whose address is 704 So. Spring Street, Los Angeles.

I am returning contracts. My suggestion is that you modify the contracts so that he is not compelled to pay any taxes but gives us a three year contract to work it out because I propose to put some one in there to sell that real estate in the near future, if your friend, Davis, can't do it.

Yours very truly,

EF:ASK

June Twentieth
1 9 3 0

Municipal Bond Company
650 So. Spring Street
Los Angeles, California.

Attention Mr. Hugh Stewart

My dear Mr. Stewart:

I received word today by letter from R. K. Walter that he will take \$500.00 for a quit claim deed to his property in El Cajon Acres or he will sign up for a three year agreement, whichever you say.

Please let me hear from you by return mail and oblige

Sincerely yours,

EF:EK

June Twentieth,
1 9 3 0

Municipal Bond Company,
650 So. Spring St.,
Los Angeles, Calif.

Attention Mr. Hugh Stewart:

My dear Stewart:

Answering yours of the sixteenth, the reason why I have not sent you the money is I haven't it and wont for a few days yet.

Another thing is there are two lots that I don't own that you have included as mine and there are two or three roads that have been used for twenty years that the charges against them, no matter how nominal, should be cancelled.

I will get the whole matter straightened out for you in a few days.

My advice is for you to by all means accept Russ Walter's offer of \$500 in six months, \$500 in a year and \$500 in 18 months, 6% interest and take over his 25 or 30 acres of land. It cost him \$6,000 14 years ago and today it stands him at least \$15,000.

I am digging up over \$30,000 this month for irrigation district taxes and am broke. Brother Cotton should have taken me up when I made the offer and had the money in the bank but he didn't but I will get around to it in a few days any way.

Yours very truly,

EF:ASK

27994

July Third.
1 9 3 0

Mr. Hugh Stewart
Municipal Bond Company
650 So. Spring Street
Los Angeles, California.

Friend Stewart:

You know as well as I do that there is a national shortage of funds. I don't want to give out any more notes or put up any more money if I can help it assuming new obligations. As a personal favor I wish you would let me send up a live contract bearing seven per cent interest on which forty or fifty per cent has been paid, monthly payments, and let me assign this to you, and put up bonds and coupons to be delivered to me when you have received your money in full according to your offer giving me the discount agreed to. If you will consider this I will give you a statement of just what property I own and will also take up with you the matter of cancelling the bonds against pieces of land that have been travelled roads for the last twenty years.

I see by this morning's paper that you have been sued by fifteen property owners in Adams Subdivision and the legality of your bonds questioned. Adams Subdivision was taken in without my knowledge or consent as the original petition had been filed. Why they took it in is more than I know unless it was at the request of the City of El Cajon. Why don't you make a settlement with these fifteen owners. I will be glad to take it up with Mr. Hillyer, their attorney, if you want me to and see if an adjustment can be made.

Of all the darn fool things, I can't understand why Tom King, the engineer, did not specify separately the cost of the storm drain instead of putting it in incidentals. It would have saved him a lot of grief. The storm drain was put in over my protest to King, but his answer was that the county engineer insisted upon it, otherwise he would not sign the papers. The whole thing was certainly bad engineering. Our intention was never to do anything but put in cast iron pipe mains and grade, curb and pave part of the roads as demanded by the City of El Cajon before they would take us back in the City and give us water. We couldn't get water

#2

any other way is the reason the whole thing was started.

If I can be of any service with Mr. Hillyer and his crowd let me know. If so, write me a separate letter on the subject, asking me to take the matter up with Hillyer and I will be glad to do it.

Sincerely yours,

EF:EK

July Eighteenth
1 9 3 0

Municipal Bond Company
850 So. Spring Street
Los Angeles, California.

Attention Mr. H. F. Stewart, Vice-President

Friend Stewart:

Answering yours of the 14th, I have been scripping from hand to mouth to keep things going down here. You must know the national and world depression has given us all kinds of trouble.

I would much prefer to deed you the eight or nine acres and kiss it good by.

Commissions are a darn sight worse down here now than they were two months ago.

I have just got thru digging up twenty odd thousand dollars for taxes and other bills and haven't got over a thousand dollars in the bank today, but I have some money coming in soon and if you insist on it I will let you have some a little later, but I would much prefer to turn over a good seven per cent contract and guarantee it.

As far as Villa Cara is concerned there doesn't seem to be a person in the whole district that has any ready money and I haven't found a bank yet that wants to touch it. I don't think this is the opportune time to do anything. The temperature is 110 out there today and has been for the last three days. My advise is to let the matter drift until Fall. It is no time to show anybody that property.

There is a Mr. Fredericks out there in El Cajon Acres that owns one or two small pieces of property and I can get him to settle with you I think for fifty cents on the dollar. If I can accomplish it, shall I? It is not in the Mattoon Act but the ten year act in El Cajon along with Murray and myself.

Have you got the deal closed with Stuart Holdorn and Mr. Brown of San Francisco covering their interest?

Yours very truly,

EF:EK

MUNICIPAL BOND COMPANY

OFFICERS:

GURDON W. WATTLES, CHAIRMAN
 H. H. COTTON, PRESIDENT
 H. F. STEWART, CHAIRMAN EXECUTIVE COMMITTEE
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 J. H. WOOD, AUDITOR

1110 BANK OF AMERICA BUILDING

650 SOUTH SPRING STREET

TELEPHONE TRINITY 3801

LOS ANGELES

DIRECTORS:

J. BAUM	THOMAS C. HEDGWAY
LOUIS M. COLE	V. H. BOSSETTI
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MARCO H. HELLMAN	GURDON W. WATTLES
R. H. LACY	

July 22, 1930.

Mr. Ed Fletcher,
 c/o Ed Fletcher Company,
 1020 Ninth Street,
 San Diego, Calif.

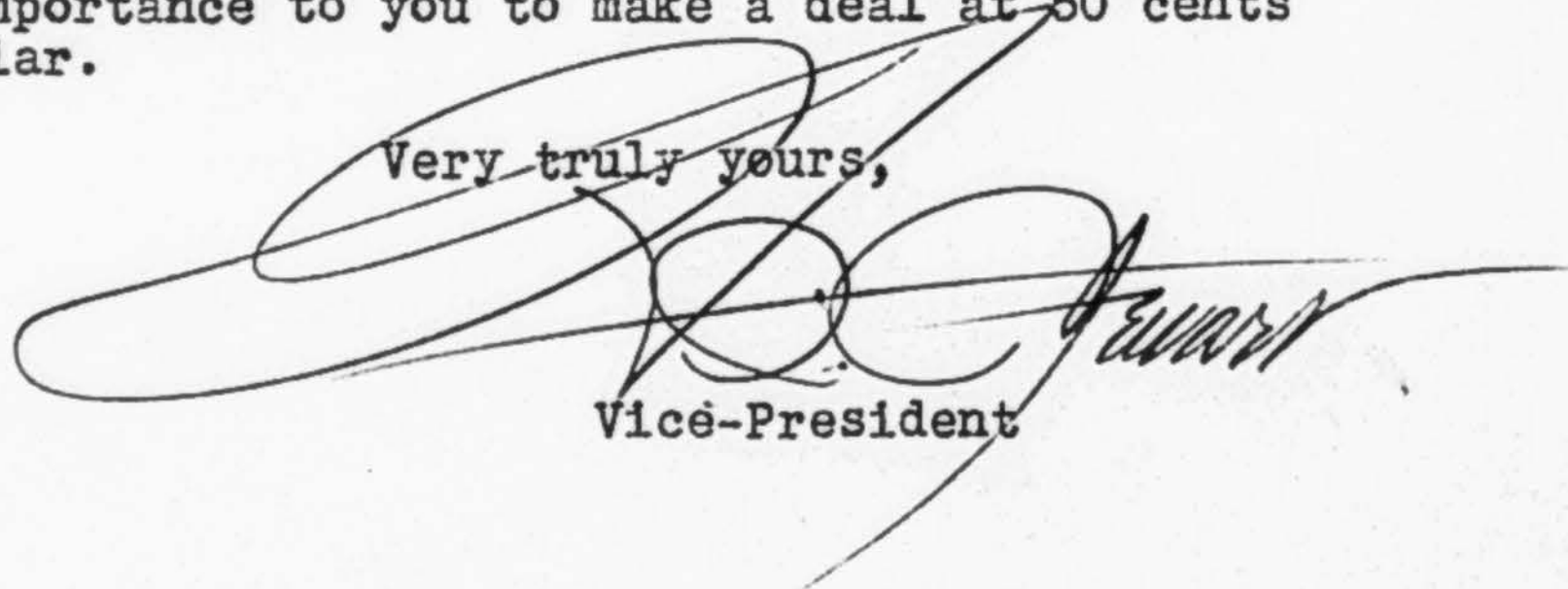
Dear Ed:

Your favor of the 18th inst. received and you might as well send me the deed and have it over with. I am tired of corresponding in regard to such a small matter.

As far as the Villa Cara Heights is concerned, it seems to me that if the people are interested at all, they would make an offer on the deal. Anyway, that deal is still open, but it has to be done on a cash basis - 50 cents on the dollar - for a reasonable time. Understand if we get a chance to make a deal on it, we intend to handle it if possible, and we are not giving you any option, but we figure that it is of prime importance to you to make a deal at 50 cents on the dollar.

Very truly yours,

HFS M



Vice-President

September Sixth,

1 9 3 0

Mr. H. H. Cotton, Pres.,
 Municipal Bond Company,
 650 So. Spring,
 Los Angeles, Calif.

My dear Mr. Cotton:

Mr. Stewart wrote and asked for a deed to the lots and I am so hard up for ready money I feel the only decent thing to do is to send you the deed as I don't feel like taking on a \$2500 or \$3000 obligation at the present time.

I am enclosing the deed to all the lots that I own in El Cajon acres and am mighty sorry that I could not take advantage of your kind offer. Kindly acknowledge receipt of the deed.

I can see right now that I am not going to be able to make a payment on Number 19. I had a contract to sell half of the property on Fletcher Hills that would have let me pay all taxes including interest on the bonds but it is out of the question now.

As you know, there are two Mattoon Acts on Fletcher Hills known as No. 4 on the east and west end the other is No. 19 which you hold.

We got a cheap job, simply cast iron water mains and paved roads but the national and world wide conditions have killed anything with a Mattoon Act in San Diego County.

As a last resort I have a New York party coming out this month to look over some other propositions and I might possibly interest him in Fletcher Hills. Any proposition of settlement for cash on Fletcher Hills, if you care to make it, might help put over a deal.

Just to give you some idea of the situation, I sold

12 acres of land in Fletcher Hills for \$2000 an acre before the break came last fall. I have since offered the 700 acres in the irrigation district and included in this paving district for \$150 an acre. I might consider selling it for \$100 an acre today if you know some one who would buy and assume the bonds.

On the other hand, if you care to submit a definite offer for the purchase of all the bonds in No. 19 for cash my New York party may be interested.

Regretting that I cannot give you more encouragement but one must look out for themselves and I am having the time of my life protecting my other interests is the reason I cannot accept your kind offer on El Cajon Acres No. 2.

I am sure if you will hold this property for a reasonable length of time you will get back one hundred cents on the dollar in El Cajon Acres No. 2.

Yours very truly,

EF:ASK

MUNICIPAL BOND COMPANY

OFFICERS:

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H. H. COTTON, PRESIDENT
H. F. STEWART, CHAIRMAN EXECUTIVE COMMITTEE
B. P. HALL, VICE PRESIDENT
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J. H. WOOD, AUDITOR

1110 BANK OF AMERICA BUILDING
650 SOUTH SPRING STREET

TELEPHONE TRINITY 3801

LOS ANGELES

DIRECTORS:

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THOMAS M. STORKE
RUSSELL M. D. TAYLOR
GURDON W. WATLES

September 8th, 1930

Colonel Ed Fletcher,
1020 Ninth St.,
San Diego, Calif.

My dear Colonel:

I have your letter of the 6th inst. in which you enclose the deed to the El Cajon Acres property and saying that you do not want to carry out your agreement unless we insist upon it. I do not see that our insistence is going to get us very far.

I also note what you say about A & I #19, which is not a complete surprise to me as I had understood you had already defaulted on the irrigation district obligations on this property. I do not entirely understand your viewpoint, when this company was drawn into financing about a million dollars' worth of improvements on your various properties or, as nearly as I can find out, about \$10.00 to one of the amount of money you had invested in them, and our investment to a great extent was made on the representation made by you to the foolish purchasers who handled our company affairs, and now, at the first sign of trouble, even before there has been any attempt to make a principal payment on any of these obligations, you write and tell us it is too bad but you do not see how you can do anything except let us hold the sack.

It seems to me, in these different properties which you have made up your mind are hopeless and that you do not care to continue even making an effort to bring to life, and inasmuch as, under the best of conditions, we have very serious losses in your projects probably running up to three or four hundred thousand dollars, that the least you could do would be to deed these properties to us, take your loss and lighten your burden so that you could turn your activities to some other line of endeavor that will bring you in more immediate returns. This would, in some measure,

Colonel Ed Fletcher, 2. September 8th, 1930

temper our losses and reduce them to a position where, at least, we could determine them and clean them up.

According to the tone of your letter, you feel you have made your bet and lost, therefore it is only fair and proper we who have become your partners unknowingly and unwittingly should be given a chance to save at least a portion of our ill-advised investments.

If you have any better solutions to offer than those outlined above, let us have them at the earliest possible moment because we are very anxious to know what our losses are in your projects.

Very truly yours,

MUNICIPAL BOND COMPANY


President

HHC M

September Tenth,
1 9 3 0

Municipal Bond Company,
650 So. Spring,
Los Angeles, California.

Attention Mr. H. H. Cotton, Pres.

My dear Mr. Cotton:

I am in receipt of yours of September eighth and contents noted.

Frankly, I am hurt at your writing me such a letter. Your information is absolutely erroneous.

I already have \$130,000 in Fletcher Hills and my wife and my notes are out for \$125,000 more..

Fletcher Hills has 61%, I believe, of the cost of the paving and we are almost in there dollar for dollar, not ten to one as you express it.

Your Mr. Stewart wrote and asked for the deed and I supposed that was what you preferred so I sent it to you.

It is ready money that is hard to get and when my bank balance has been down to \$1000 and \$1500 I did not propose to take on any more obligations.

If you will send back the deed I will send you up a bona fide contract or trust deed drawing 7 % interest on which at least 40% or 50% has been paid, a live contract which Mrs. Fletcher and I will guarantee will be paid if it falls down or exchange it for a live contract.

I have several thousand dollars of these contracts, trust deeds and mortgages but it has been mighty hard work to turn them into cash.

You must know that a most remarkable and unexpected slump has occurred.

Trans-America has gone down from 68 to 20. My investment in Security-First National Bank has gone

down from 136 to 102. I bought District Bond Company stock at 40 when Nels Gross told me it would go to 60 in a few months and it could be bought for 20 the other day. San Diego First National of which I am holding a large block has gone down from 51 to 35 while Cottonseed Oil Products has gone from 85 to 5 for the preferred stock and yesterday I was offered a splendid lot that sold a year ago for \$1100 for \$250.

I had a half interest in Fletcher Hills sold and \$10,000 paid down when we started that No. 19 project. That blew up.

You are misinformed that the state, county and district taxes have not been paid on Fletcher Hills No. 2 on the big project. They have been paid and there is only a small delinquency of about \$300 on a portion of Fletcher Hills Unit No. 1, a small tract of 125 acres.

Instead of criticising and making bad blood between us you should get in and work with me as I am trying to work with you and save some of the wreck.

I have definite arrangements with Mr. Frank Crocker of New York to come out here and look over Fletcher Hills. He commands all kinds of money and is worth a good deal of money himself.

I am trying to get him to buy a half interest and if possible all of Fletcher Hills, the property owned by the Murray Estate and other property including about 4,000 acres.

I have offered to sell it to him at \$150 an acre. He has promised to come out here in September. Enclosed find telegram that I just got yesterday. Please return same.

With over a quarter of a million dollars invested in Fletcher Hills of my own money or money that I have to pay it is a cinch I am going to save everything I can out of the wreck.

I have never made a representation to any of your men but what has been true.

I sold 2.2 acres to Mr. Frisius for \$2,000 an acre cash and a splendid Spanish home is now built on the property. Stanley Byers represented to me that he was worth all kinds of money, was at one time going to take a half interest in the property and would take

over a sales contract, brought down men who were going to do the selling and things certainly looked rosy.

On the strength of his statements together with the statements from Claus Spreckels that Byers was okay in every way I went ahead to consummate a deal for a half interest in Fletcher Hills property and a sales agency.

First Byers wanted five acres at \$2000 an acre and then he would build a nice home on it immediately. This was satisfactory. He then wanted to mortgage the property for the cost of the house. I allowed a first mortgage to go on of \$4,000. He put about \$3,000 more in, busted up completely, gave me a deed to the house and lot last week.

In the mean time Claus Spreckels has sued for hundreds of thousands of dollars and every one of his stores has a sheriff in it so you see neither you nor I are the only ones that are having our troubles.

The Fletcher family own a couple of million dollars of property unencumbered, no revenue and it is H - - - to get money even to pay taxes and keep things going.

Alphonso Bell paid me \$150 an acre for some 200 acres of rough land to the east of us. He paid \$150 an acre for the 7,000 acres that he bought and today my land lies better and is better watered, something like 2100 acres and I will sell out on easy terms to you if you will take it up within a week from date at \$100 an acre which makes me a net loss of at least \$40,000 and I will sell it on easy terms too.

I hope to sell out a half interest to Mr. Crocker at \$150 an acre if and when he comes out but I have made you a better proposition than any offer I have made to a human being.

The property speaks for itself and is the cheapest thing in San Diego County. Part of it is in the irrigation district and the rest of it can get water from wells in the valley.

I don't know why you bear down so hard on me. I happen to know of a number of subdivisions that you bought the bonds of such as Paradise Hills and other bond issues that did not warrant the improvements I put in. How on earth you ever bought the bonds on

Paradise Hills, I don't know. The improvements cost over \$3,000 an acre while I only put in cast iron water mains and paved roads thru Fletcher Hills at an average cost of \$475 an acre. Certainly our improvements at Fletcher Hills warranted that expenditure far greater than Paradise Hills and a lot of other bond issues of like character that you did buy.

I am not trying to rub it in but I am asking you, man to man, to help me to save something out of the wreck and I am making every effort to do the same for you.

We thought the Mattoon Act a blessing. It has been so abused that it is now a curse and no one will buy a piece of property under a Mattoon Act in San Diego County that I know of. Mr. Crocker is bound to find this out.

As I can see, the only solution of No. 19 is to cancel those bonds, determine the net amount against each piece of property and you accept trust deeds for that amount.

The pyramiding of taxes is legal and I am satisfied that the supreme court of the state will maintain that that is the law. This we must get away from.

If I am in a position to say to Mr. Crocker or to any other individual who will take a half interest or buy me out completely that these Mattoon Act bonds can be cancelled the same way as they are doing at Rolando and changed to a trust deed it will be a help.

It will be a greater help if you will tell me what, if any discount you care to make in case I get hold of some real money from New York and you are positive that you are going to get your money.

Mr. Crocker commands money. He does business quick or not at all.

I should have some idea from you what discount, if any you will take so as to put it up to him in a definite proposition when he arrives here.

I am talking just as much for you as I am for myself. Without your cooperation I can do nothing and vice versa.

Let's try to work this problem out together and anything that you may write me will be considered in the strictest confidence. I ask the same of you.

Yours very truly,

EF:ASK

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 C. C. SPICER
 THOMAS H. STORKE
 RUSSELL M. D. TAYLOR
 GURDON W. WATTLES

September 16th, 1930

Colonel Ed Fletcher,
 1020 Ninth Street,
 San Diego, California.

My dear Colonel:

I am in receipt of your letter of September 10th and in reply would say that I had no intention of hurting your feelings in my letter to you recently, but was only setting forth the views I had obtained of the San Diego situation from my survey of the same. The "ten to one" proposition about which I spoke to you was in connection with Villa Cara Heights upon which we hold a defaulted bond issue of \$98,000.00 on property of an assessed valuation of about \$10,000.00. No effort on your part has ever been made in any way to take care of this situation, although I offered to take a loss on these bonds of \$40,000.00, giving you the improved property at a price of \$60,000.00 on any kind of an arrangement that would be satisfactory to you. The other situation I had reference to was the transaction that was put over on San Diego and Chase Improvement District in which liens were allowed to go against the property amounting to more than twice its value, the majority of the property being controlled by yourself, through the Murray Estate, Walters and your own holdings. The other situation was the Boulder Heights property in La Mesa, and now you write and say that you are unable to make any payments whatsoever on A & I 19 and that everybody must look out for themselves.

I am very glad to hear that I have been misinformed as to the taxes on Fletcher Hills, but this was the information I got from our San Diego office and I did not question the same because I did not believe they would make a statement unless they had verified it.

2.

Colonel Ed Fletcher, September 16, 1930

In your letter you mentioned enclosing a telegram. The telegram was not enclosed so I cannot return it.

I believe, as you do, that the Fletcher Hills property has great possibilities and I believe that eventually you will work it out, but inasmuch as we had invested over a half million dollars in improving your property so that it would be salable, and as there was nothing due on the principal for a period of five years, I thought the least you could do in order to save your situation, would be to pay up the taxes which were only a very small amount as compared to the whole, and allow the property to be saved.

As to our purchase of bonds such as Paradise Hills and others of which you speak, we did not buy the Paradise Hills issue and have nothing to do with it. Outside of the bonds that we have on your projects, we have one bond issue in La Mesa for about \$60,000.00 - one on Stanford Avenue of a little over \$100,000.00 which is now in process of being worked out, and a few scattering issues amounting in all, not to exceed \$100,000.00, and goodness knows, this is bad enough, but when we add the total of nearly a million dollars invested in your properties it makes a very bad situation with no cooperation or assistance from the people owning the property.

If you have any propositions to submit on any of the properties in which we can get out even at a substantial loss we will be glad to have you communicate with us. As far as Fletcher Hills are concerned, how much of a loss do you think we should be willing to take on the property?

As to your suggestion regarding cancellation of the bonds on No. 19, would say I understand there are some other liens on this property and they would of necessity have to be subordinated to any refinancing project that you have in mind

3.

Colonel Ed Fletcher,

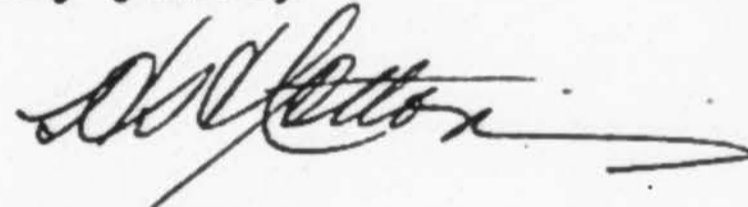
September 16th, 1930

and also, our issue would have to stand on the same basis as any other issues now covering the property, and I understand from your letter that A & I #4 covers a portion of this property.

I understood that A & I #4 would be included in the arterial highway program and that you would be able to get some relief from the Board of Supervisors on this project.

I am not trying to be hard or arbitrary with you, but I am only asking you in all fairness that if you cannot see your way to work out the properties, that you give up your interest in them rather than cause us additional expense and trouble to obtain same.

Very truly yours,



President

HHC M

September Eighteenth,
1 9 3 0

Municipal Bond Company,
650 So. Spring St.,
Los Angeles, Calif.

Attention Mr. H. H. Cotton, Pres.

Friend Cotton:

I appreciate your letter of the sixteenth.

I have been about as blue as any one in the county seeing things drag on, times as tough or tougher.

I dug up and paid \$82,000 in taxes, state, county, city and district, last year. No matter what any one says to the contrary, district taxes amounting to \$11,000 or \$12,000 was paid on Fletcher Hills Units Nos. 1 and 2 last year and thru an over-sight, around \$300 or \$400 was not paid but as long as the penalty is on I have six months in which to redeem.

Our assessed valuations was increased last year from \$140,000,000 to \$252,000,000 and we certainly, all of us, got a whalloping.

No one ever paid any attention to assessed valuations. They were low and about 20% of the appraised value and have been for the last ten or fifteen years until recently.

If you will check up on the appraised value of Villa Caro Heights this last year you will find, I believe, that the appraised value is in excess of the bond issue, if I am not greatly mistaken so that your ten to one proposition is not correct.

Regarding San Diego and Chase Avenue improvement district. I never did own but ten acres in the tract. Mr. Murray sold Mr. Walter 30 acres. Walter was only a friend and since 1920 I have absolutely had nothing to say about the disposal of, or sale of, the Murray property so you are entirely mistaken about my

controlling either the Murray estate or Walter properties.

This depression is national and worldwide.

I was offered splendid lots with graded streets and water at \$250. These same lots sold for \$1100 fourteen months ago, cash.

The Community Chest survey shows 441 less establishments in San Diego than a year ago with 2000 less employees.

Every one of Spreckels stores are in the hands of a sheriff, a million or more dollars of suits against him; with the California Bank failure and defalcation of a million dollars by Mr. Irwin; the California Land Buyer's failure; the Southlands failure and a number of business men here have gone under together with everything else it has made it impossible to sell anything and I find the Fletcher family with two or three million dollars of unencumbered property, all paid for and we can't mortgage it for anything with the Banks and with my expenses going on in the development of my coast properties and Grossmont where I have 200 or 300 acres in orchard that must be maintained, a big family and four children in college, relatives dependent on me and a drain that I never conceived, for ready money.

Out of \$160,000 which came due the last eight months I have only been able to collect \$25,000.

I have several hundred dollars out at 7% on contracts, mortgages and trust deeds but not 25% of them are paying.

You must have similar conditions.

My family comes first and I want to live up to my obligations as well but it is going to take time to work the thing out.

Enclosed find copy of telegram from Mr. Crocker that should have been enclosed in my last letter.

Yours very truly,

September Twenty-seventh,
1 9 3 0

Municipal Bond Company,
650 So. Spring Street,
Los Angeles, California.

Attention Mr. H. H. Cotton, President:

My dear Mr. Cotton:

Further in answer to your letter of the sixteenth, Mr. Crocker is going to be here next month. He is the one man that has the cash and if I can interest him at all there can be no jockeying.

I must have a definite proposition to make to him. Beggards are not choosers and it is up to you to give me something definite to work on with Mr. Crocker.

There is not a human being that would be happier than I if you could get your money out of this proposition.

I don't see why you press down so hard on me when I know you are not going to get fifty cents on the dollar on considerable of your bond purchases within the city limits of San Diego.

Take Reynard Way for instance. You are going to get the property unless you settle for forty or fifty cents on the dollar. At least I have been told this by one of the contractors in the last few days.

If the bonds on No. 19 were cancelled it goes without saying that you would get a first trust deed and have a first lien in case any deal was made.

We have received no relief in A. & I No. 4 whatever from the supervisors and I don't believe they will ever grant a fund again for that purpose from every indication

I pledge you my word that I shall stay with this proposition giving the best that is in me to work out some plan that will be mutually satisfactory.

Yours very truly,

EF:ASK

October Eleventh,
1 9 3 0

Municipal Bond Company,
650 So. Spring St.,
Los Angeles, Calif.

Attention Mr. H. H. Cotton, Pres.,

My dear Mr. Cotton:

Enclosed find letter from Mr. Fredericks that is explanatory.

If you will settle with Mr. Fredericks for fifty or sixty cents on the dollar I am satisfied that he can borrow the money and pay the cash.

I am going to answer your letter some time soon but I am hoping to have some definite proposition to make.

I am willing, without any expense to you or without any profit to myself what so ever, to go to each individual in El Cajon Acres #2 and try and get them to either pay cash or give a first trust deed and try and get a settlement of fifty cents on the dollar or sixty cents, just as you say but it will be easier if you could see your way clear to make it fifty.

This is at least one evidence of good faith to help you out in this mess.

There is no use talking about Villa Caro or No. 19 to you until I get some definite proposition.

You took my meaning wrong when I said that every one must look out for themselves. What I meant was that I have between a hundred and two hundred thousand dollars already invested in land in A. & I. D. No. 19. My obligation is out for another \$125,000 and when you ask me to transfer the property to you without consideration what soever and thereby lose a quarter of a million dollars I don't propose to do it without making a desperate struggle to protect my equity. It was no reflection on you whatever.

Regarding Villa Caro Heights as mentioned in your letter of the thirtieth, Mr. Bell of the assessor's office told me that under no conditions could any land be assessed for less than the cost of the improvements as a basis of an assessment for the collection of taxes and I assume that this is what he has done. I am having the matter checked up and you will hear from me on Villa Caro soon.

Yours very truly,

EF:ASK

CUYAMACA
SOLANA BEACH
FLETCHER HILLS
PINE HILLS
GROSSMONT
AVOCADO ACRES

Fletcher Company
1020 NINTH STREET
SAN DIEGO, CALIFORNIA

November 17, 1930.

*Fletcher calls up to
arrange to
ad 5.19
and pay 10% of*

Municipal Bond Company,
Los Angeles, California.

Attention Mr. H. H. Cotton

My dear Mr. Cotton:

It is going to be impossible for me to pay the taxes and interest on the Mattoon Act bonds, A. & I. D. Nos. 4 and 19. The only decent thing for me to do is to write you in advance of the delinquency.

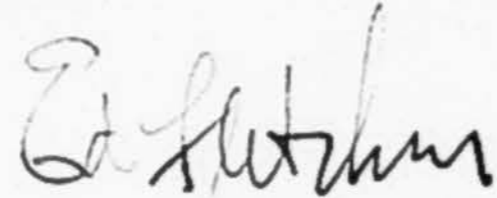
I have put over \$100,000 in the development of Fletcher Hills No. 2 and stand to lose a good deal, but I make this suggestion as a possible solution of the problem: I will sell you all of the lands in Fletcher Hills No. 2 under the Thum mortgage, in the Improvement District, approximately 564 acres for the sum of \$100 per acre. Also all of my unsold lands in Fletcher Hills No. 1, approximately 55 acres, for \$100 per acre. I will take a deposit down of \$5,000, the balance to be paid on or before February 15, 1931, and give you a clear title excepting that the lands are within the boundaries of the La Mesa Irrigation District, subject to state and county, and irrigation district taxes for the year 1930-31 and subject to A & I D Nos. 4 and 19 bonds, now payable but not delinquent.

There are only four or five other property owners in A. & I. D. No. 19. I will furnish my time without expense to you in making adjustment of the matter with them, to your satisfaction, so that the entire bond issue can be cancelled, trust deeds taken and immediate steps taken to dispose of the property by you. I will assist you in every way that I possibly can.

I have two mortgages to pay off, one to Mr. Thum and one to Mr. Brown, to clear the title to this property and must have the \$100.00 an acre from you to do so. I made one sale of 30 acres at \$750.00 an acre and two or

three other sales at \$2000 an acre, before the crash. I consider this the best subdivision piece of property adjacent to San Diego and hope you will see your way clear to accept this offer. I pledge you my cooperation in disposing of the property.

Yours sincerely,



EF:KLM

November 17, 1930.

Municipal Bond Company,
Los Angeles, California.

Attention Mr. H. H. Cotton

My dear Mr. Cotton:

It is going to be impossible for me to pay the taxes and interest on the Mattoon Act bonds, A. & I. D. Nos. 4 and 19. The only decent thing for me to do is to write you in advance of the delinquency.

I have put over \$100,000 in the development of Fletcher Hills No. 2 and stand to lose a good deal, but I make this suggestion as a possible solution of the problem: I will sell you all of the lands in Fletcher Hills No. 2 under the Thum mortgage, in the Improvement District, approximately 564 acres for the sum of \$100 per acre. Also all of my unsold lands in Fletcher Hills No. 1, approximately 55 acres, for \$100 per acre. I will take a deposit down of \$5,000, the balance to be paid on or before February 15, 1931, and give you a clear title excepting that the lands are within the boundaries of the La Mesa Irrigation District, subject to state and county, and irrigation district taxes for the year 1930-31 and subject to A & I D Nos. 4 and 19 bonds, now payable but not delinquent.

There are only four or five other property owners in A. & I. D. No. 19. I will furnish my time without expense to you in making adjustment of the matter with them, to your satisfaction, so that the entire bond issue can be cancelled, trust deeds taken and immediate steps taken to dispose of the property by you. I will assist you in every way that I possibly can.

I have two mortgages to pay off, one to Mr. Thum and one to Mr. Brown, to clear the title to this property and must have the \$100.00 an acre from you to do so. I made one sale of 50 acres at \$750.00 an acre and two or

three other sales at \$2000 an acre, before the crash. I consider this the best subdivision piece of property adjacent to San Diego and hope you will see your way clear to accept this offer. I pledge you my cooperation in disposing of the property.

Yours sincerely,

EF:KLM

(Copy)

MUNICIPAL BOND COMPANY
110 Bank of America Building,
850 South Spring Street,
Los Angeles, California.

November 19th, 1930.

Mr. Ed Fletcher,
San Diego,
California.

Dear Mr. Fletcher:

Confirming our conversation this morning with regard to putting into proper condition the property known as Fletcher Hills upon which we own Mattoon 1st bonds in the amount of \$512,621.00, we understand the proposition to be as follows:

We will release the entire bond issue provided we receive trust deeds on the 1200 acres involved, said trust deeds to total the face amount of the bonds, less a 10% discount, or trust deeds to total \$464,959.00. In cancelling the said bond issue we cancel all of the interest that is due at the present time which, together with the discount, amounts to \$100,000.00 loss on our part. Each owner is to give to this company a trust deed in their proportionate share of the total amount, said notes secured by the trust deed to be due on or before five years of their issuance, to bear interest at 6% per annum on the usual terms.

The above mentioned trust deeds from each party to be so divided in different amounts so as to properly fit the lands securing the said trust deed, and to have release clauses showing that any parcel sold under the said trust deed can be immediately released upon payment of the amount required.

If this matter is consummated quickly, it will obviate the necessity of any delinquency covering the taxes and each owner will only be responsible, if he desires, for the amount of his trust deed, which will obviate the pyramiding of taxes and the tremendous penalties that accrue to delinquent taxes. These penalties increase yearly until they get to be 50%, and you may readily see that if carried on to any great extent would absorb large sums of money for redemption. For your own protection and those who are interested, you should proceed immediately to get the consent of everyone to the plan, and when you are ready to complete the plan, we will be glad to cooperate and put it through at once.

I think Mr. Thurb's attitude with regard to the mortgage on the property is splendid and hope that the others will cooperate as well as he has.

RFS M

Very truly yours,
(signed) H. F. Stewart, Vice-President.

November Twentieth,
1 9 3 0

Municipal Bond Company,
650 So. Spring St.,
Los Angeles, Calif.

Attention Mr. Hugh Stewart:

My dear Mr. Stewart:

Answering yours of the nineteenth, one big stumbling block will be in getting the property owners to sign a trust deed and obligate themselves to pay. I mean responsible people.

Any trust deeds on property which the Fletcher interests control would have to be signed by some one that is not responsible and you look only to the property.

The Fletcher interests cannot assume another \$300,000 indebtedness. I explained this to you yesterday.

There are one or two other conditions that we tentatively agreed on at your meeting yesterday which are not mentioned in your letter of the nineteenth but I am going ahead and see what I can do.

The greatest obstacle to overcome is the valuations and the amount on each particular tract.

I feel that the average is about as equable as anything otherwise you are going to get in to all kinds of trouble.

I hope to give you a report later in the day as to what I have succeeded in doing here with the small holders.

Yours very truly,

EF:ASK

P. S. I have already telephoned to Messrs. Keeney, Butterfield, Frisius, Giaciolli and Fritts. They are favorable to the proposition, providing the final amount which they have to pay is satisfactory. Everything looks very favorable for an acceptance of your proposition.

November 22, 1930.

Municipal Bond Company,
650 South Spring Street,
Los Angeles, California.

Attention Mr. Stewart.

My dear Mr. Stewart:-

Answering yours of the 19th, the following are the other property owners: Frisius, Keeney, Giaciolli, Hannon, Babcock, Fritts, Walters, Hall, Butterfield. The only parties that I have not been able to get in touch with are Hannon, who lives at Laguna Beach; Babcock, who is out of town and I will have an answer Monday or Tuesday; Hall, who is sick in La Jolla but I expect to get something definite on Monday. All the others have approved, subject to a satisfactory adjustment of the amount of their obligation.

As I had written to the Murray Estate, with your approval, on a 6% basis, had seen all but two of them and told them the new interest was to be 6%, you can imagine my embarrassment to have you telephone that you wanted 7 after you had made a formal commitment at 6. I can't go back at them with the 7% without spoiling the whole kettle of fish, and some condition must arise which will give you the opportunity to ask for 7 but that's up to you, not to me. I think it is a mistake to attempt to change now.

Mr. Brown's telegram would indicate that they are seriously considering buying the Murray Estate for cash. What is your cash price? I certainly do everything I can to help straighten out this mess.

I made a definite arrangement with Mr. Thum, his son and Mr. Gar whereby, by protecting them to the extent of \$10,000.00 now, if satisfactory to them, they would release the 554 acres in A. & I. D. No. 19 from the mortgage. Mr. Gar now telephones that there is a misunderstanding, but, in any event, that's my job and the whole thing can be put in escrow and I will satisfy the Thums if the deal goes through, so it will not be necessary for you to do anything on that score.

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

SIGNS

DL = Day Letter
 NM = Night Message
 NL = Night Letter
 LCO = Deferred Cable
 CLT = Cable Letter
 WLT = Week-End Letter

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at 341 Plaza, San Diego, Calif. Telephone Main 2151

1930 NOV 24 PM 2 18

SB413 13=MB LOSANGELES CALIF 24 210P

ED FLETCHER=

1020 NINTH ST SANDIEGO CALIF=

NOT INTERESTED IN YOUR TELEGRAM WE ARE ONLY INTERESTED IN
 DEAL ALREADY SUBMITTED=

MUNICIPAL BOND COMPANY H F STEWART.

Municipal Bond Company
 Page 2.

I appreciate the friendly spirit that prevailed at the last meeting, both the attitude of Mr. Cotton and yourself, and I am going the limit to help straighten this thing out.

Without mentioning any names, I wrote Mr. Gross and he will have a chance to either back up or prove his statement in a few days. Enclosed find copy of a letter from the Butterfield Construction Company that is explanatory as to whether or not I got anything out of the promotion of this enterprise. I did not see Mr. Byers after meeting with you but did get him over the phone and told him of the rumors that I had received promotion money on the A. & I. D. No. 19. Enclosed find copy of letter from him which he, of his own volition, sent me. I have given a full explanation of all of my dealings in this matter and, where I had perhaps a legal right to make some money, on this deal, if I cared to, in this case I have the name without the game. I will persist in the matter until I have satisfied you people in relation thereto.

Yours very truly,

EF/RC

EVERY BUYER HEEDS
 A WIRE



MESSENGERS ARE AVAILABLE FOR THE DELIVERY OF NOTES AND PACKAGES

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	FULL RATE
DAY LETTER	DEFERRED
NIGHT MESSAGE	NIGHT LETTER
NIGHT LETTER	WEEK END LETTER

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

1206 A

CHECK

ACCT'G INFMN.

TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

November Twenty-seventh,
 1 9 3 0

MUNICIPAL BOND COMPANY
 650 SO. SPRING STREET
 LOS ANGELES, CALIF

WOULD YOU CONSIDER PURCHASE FLETCHER AND MURRAY ESTATE PROPERTIES
 IN NUMBER NINETEEN EASY TERMS HUNDRED DOLLARS AN ACRE SIX PERCENT
 INTEREST DEFERRED PAYMENTS IF SO WILL RECOMMEND TO BROWN
 KINDLY WIRE ANSWER IMMEDIATELY

ED FLETCHER

Chg. Ed Fletcher Co.

WESTERN UNION MESSENGERS ARE AVAILABLE FOR THE DELIVERY OF NOTES AND PACKAGES

November Twenty-eighth,
1 9 3 0

Municipal Bond Company,
650 So. Spring Street,
Los Angeles, Calif.

Gentlemen:

Enclosed find copy of telegram received from Mr. W. S.
K. Brown that is explanatory.

It is too late to settle in any event before the first
of December and all parties are going delinquent on
their taxes in A. & I. D. No. 19 as suggested by you
when in Los Angeles.

I have made the pledge that any discount made, whatever
price you and the Murray Estate agree on, all shall have
the advantage of.

Please let me know if Mr. Brown's tentative offer interests
you.

There is no particular hurry now that the taxes are
going delinquent any way unless you want to get the
matter cleaned up quickly in which case I will
cooperate in every way I can.

Very sincerely yours,

EF:ASK

November Twenty-ninth,
1 9 3 0

Mr. Ham Cotton,
c/o Municipal Bond Company,
650 So. Spring Street,
Los Angeles, Calif.

My dear Mr. Cotton:

Enclosed find copy of
letter from Nels Gross and my answer in reply for your
information.

I was sure there was a
misunderstanding.

It will be a pleasure to
have a joint meeting with Mr. Gross if that is your
desire at any time.

Will you please show this
correspondence to Mr. Stewart and oblige me.

Very sincerely yours,

EF:ASK

MUNICIPAL BOND COMPANY

OFFICERS:

GURDON W. WATTLES, CHAIRMAN
 H. H. COTTON, PRESIDENT
 H. F. STEWART, CHAIRMAN EXECUTIVE COMMITTEE
 B. P. HALL, VICE PRESIDENT
 C. C. SPICER, VICE PRESIDENT
 CLARENCE J. WALKER, VICE PRES. SECY-TREAS
 J. H. WOOD, AUDITOR

1110 BANK OF AMERICA BUILDING
 650 SOUTH SPRING STREET

TELEPHONE TRINITY 3801

LOS ANGELES

DIRECTORS:

J. BAUM
 LOUIS M. COLE
 H. H. COTTON
 L. W. DENISON
 B. P. HALL
 IRVING H. HELLMAN
 MARCO H. HELLMAN
 R. H. LACY

THOMAS C. RIDGWAY
 V. H. ROSSETTI
 H. F. STEWART
 C. C. SPICER
 THOMAS M. STORKE
 RUSSELL M. TAYLOR
 GURDON W. WATTLES

December 15th, 1930

December Second,
 1 9 3 0

Municipal Bond Company,
 650 So. Spring Street,
 Los Angeles, California.

Attention Mr. Hugh Stewart:

Dear Mr. Stewart:

After receiving your telephone message today, in the late afternoon mail, I received the enclosed copy of letter from Mr. Brown.

Enclosed find copy of my letter to Mr. Brown that is explanatory.

It is impossible for me to go to San Francisco immediately but it may be worth your while to go up and see Mr. Brown.

I have to be on the job here every minute right now until tax time is over.

Yours very truly,

EF:ASK

Colonel Ed Fletcher,
 1020 Ninth St.,
 San Diego, California.

Dear Ed:

I was very much interested in your communication over the 'phone this morning stating that you had a party whom you expected to visit San Diego soon to buy your interest and the Murray Estate interest in Fletcher Hills, also that said party would take care of us or make some settlement of our interests.

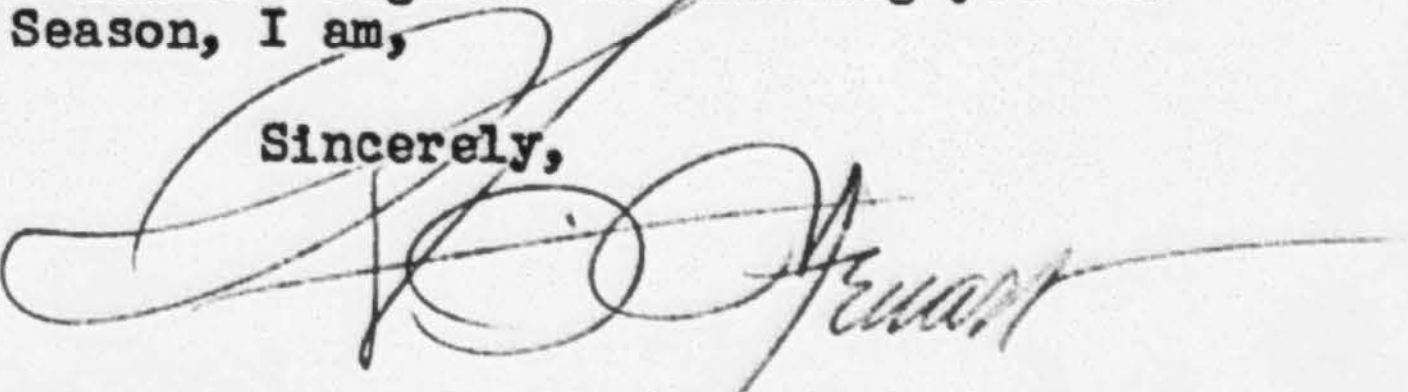
I had a very interesting visit with Mr. Brown in San Francisco and found that he was not in any way interested in cooperating with us except on a basis which would be suicidal at the present time. He frankly told me he had us licked and that he intended to make all the money he could out of us. Of course this is all right and a business attitude and he is acting for a client, but just the same under the conditions that exist in Fletcher Hills it seems to me that his client would be much more favorable to cooperate than Mr. Brown.

I do not believe that anyone will be able or capable of pulling this deal out but yourself, and we will give you all the cooperation that we can. We are willing to take our medicine and forget it, and hope you will assist us as we in turn will assist you.

Hoping to hear from you to the end that you are able to do something and if not, that you will come to Los Angeles at an early date and discuss further ways and means with us. With kindest regards and wishing you the Compliments of the Season, I am,

Sincerely,

HFS M



MUNICIPAL BOND COMPANY

OFFICERS:

GURDON W. WATTLES, CHAIRMAN
 H. H. COTTON, PRESIDENT
 H. F. STEWART, CHAIRMAN EXECUTIVE COMMITTEE
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B. P. HALL	THOMAS M. STORKE
IRVING H. HELLMAN	RUSSELL M. TAYLOR
MARCO H. HELLMAN	GURDON W. WATTLES
R. H. LACY	

December 31, 1930

December Sixteenth,
 1 9 3 0

Mr. Hugh Stewart,
 c/o Municipal Bond Company,
 650 So. Spring St.,
 Los Angeles, Calif.

My dear Stewart:

Answering yours of the fifteenth, I am mighty sorry Mr. Brown has taken this attitude. You certainly have my pledge of assistance.

I am moving heaven and earth to handle this property as a whole. I don't mind telling you who it is. It is Mr. H. H. Timken the roller bearing Canton Ohio millionaire who is here. I have not got very far with him yet but he is interested.

If I don't get something definite in the next week or ten days I will come up in any event and see you and go over matters.

I feel that there is a different attitude toward me both by Mr. Cotton and you than in the past and it will be a pleasure to work with you in trying to solve a most bitter question for both of us.

Wishing you both the Compliments
 of the Season, I am

Sincerely yours,

EF:ASK

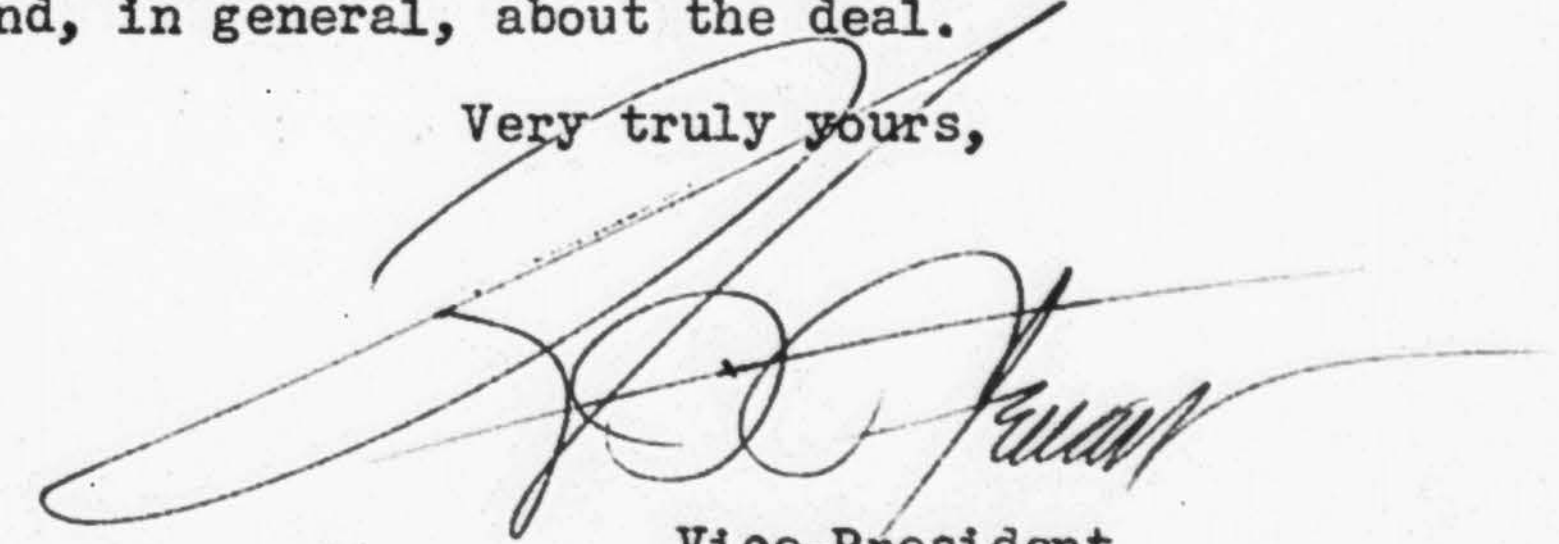
Colonel Ed Fletcher,
 1020 Ninth Street,
 San Diego, California.

Dear Ed:

The attached correspondence is self-explanatory and I believe that Mr. Brown has now made up his mind to allow his client to come in on the basis as outlined to all of us.

I would appreciate very much hearing from you regarding what you have done with Mr. Timken and, in general, about the deal.

Very truly yours,



HFS M

Vice-President

W. S. K. Brown,
Attorney-at-law
Russ Building,
San Francisco

C O P Y

December 30, 1930

Mr. H.F. Stewart,
650 South Spring St.,
Los Angeles, California.

Dear Mr. Stewart:

I have submitted our tentative arrangement to Mr. Haldorn and subject to the drafting of the papers to our mutual satisfaction the general scheme is satisfactory to him.

As you of course realize this is subject also to some arrangement being made with all the other property owners whereby the bonds can be discharged of record. Are you succeeding in making any arrangement with the other holders?

I do not remember whether I mentioned the matter to you, but any arrangement we make must be between Mr. Haldorn on the one side and your company on the other; I will not have him in a joint agreement with others whereby all are jointly and severally bound. In other words I want Mr. Haldorn's private obligations to be kept separate and distinct from the obligations of others. You will find him carrying out very faithfully any covenant he undertakes.

Yours very truly,

W.S. K. Brown - signed

WSKB:B

C O P Y

December 31, 1930

Mr. W. S. K. Brown,
Russ Building,
San Francisco, Calif.

Dear Mr. Brown:

Your favor of the 30th received and from your letter I understand that Mr. Haldorn is satisfied with the proposition as outlined. We discussed several propositions when I was in your office and the only one that I could present to our people was the one where we were to cancel all the interest up to January 1, and discount the face of the bonds ten per cent, having each party give us trust deeds on their portion of the amount involved and securing all the people to cancel the bonds, relying on the trust deeds for our security which represents 90% of the face of the bonds with a loss of interest. These trust deeds to run for five years, interest at six per cent per annum.

If the above is the deal to which you refer in your letter, we appreciate your concessions, as I know you appreciate ours, and we will endeavor to work out a bad situation to the benefit of all.

As a matter of reference, I have just received an opinion which I think will interest you, from the firm of attorneys whom we consider qualified, regarding the Mattoon Act bonds. Same is self-explanatory.

Hoping to hear from you at an early date,

I am,

Very truly yours,

HFS H

Vice-President

O'MELVENY, TULLER & MYERS
Attorneys at Law
Title Insurance Building
433 South Spring Street
Los Angeles

December 22, 1930

In Reply refer to
B-200

Municipal Bond Company,
650 South Spring Street,
Los Angeles, California.

Gentlemen:

Pursuant to your request, we have examined the law relative to the following matters:

First. Bonds have been issued under the Acquisition and Improvement Act of 1925, as amended. The bondholder has been informed by the owner of the lands within the district that, when the time comes for a sale of the lands for payment of delinquent assessments levied to pay the principal and interest of the bonds, the landowner will over-bid the bondholder, acquire the land, and thereafter such lands will not be liable to be assessed to pay unpaid principal and interest of such bonds.

It is our opinion that, whether the bondholder or the landowner purchases the land at the delinquent sale, it will, nevertheless, be liable to be assessed for unpaid principal and interest upon such bonds, and that the bondholder need not be concerned if the landowner over-bids him at the delinquent sale.

Second: In case of a sale of land for delinquent assessments levied under the Acquisition and Improvement District Act of 1925, as amended, do the penalties upon such delinquent assessments go into the fund to pay the principal and interest of the bonds? It is our opinion that such penalties should be placed in the fund provided by Section 41 of said act and be applied in payment of the principal and interest of the bonds issued.

Respectfully submitted,

O'MELVENY, TULLER & MYERS,

By James L. Beebe - signed

JLB MG

Ed Fletcher Papers

1870-1955

MSS.81

Box: 18 Folder: 31

**General Correspondence - Muncipal
Bond Company of Los Angeles**



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