

CONCISE REVIEW OF S-L STUDIO AFFAIRS
(As seen by Oliver Whaley, 7/31/24)

Funds heretofore subscribed have been handled in a questionable manner and disappointing results attained. This is no index of what business-like management directed by men of stability and honesty can accomplish. Selection of Messrs. Fletcher, White, Chambers, Wheeler, and Wells as trustees was the first step toward restoration of confidence and stability.

Confidence in these trustees, because of their individual integrity, capability and financial standing, must immediately result in hearty moral and financial support, by stockholders and the community, if the motion picture industry is ever established in this vicinity. Otherwise, previous investments are a total loss.

Operation of the studio, under lease or under direct supervision of trustees, is impossible until it is properly equipped. We have a wonderful studio building, but it is like an excellent automobile without oil or gasoline. Until equipment is available, insurance and other over-head expense, whether borne by lessees or trustees, is continued loss. Equipment, etc., required will cost \$25,000 to \$30,000. Until it is installed everybody interested, directly, or indirectly, loses money. This includes owners of property in this section, city and country.

Everyone discussing studio affairs with me (a considerable number) expresses earnest hope in early commencement of activities and confidence in the ability of present trustees to bring this about. Financial assistance may be obtained if trustees ask for it. Immediate, or direct earnings are not anticipated, but indirect community benefit is confidently anticipated in that event.

Early built railroads seldom started operation before a trust fund created for that purpose, furnished them with equipment. May not similar procedure make S-L Studio operation possible, in event funds cannot otherwise be obtained?

Assuming the studio to be equipped, any lessee must be considered as a possible temporary tenant, because picture production and studio operation is usually seasonal. High rental plus operating over-head might prevent lessees making profit, or even pay fixed rentals, and average aggregate income from leases found less than anticipated. I would not undertake to pay a fixed rental rate for S-L Studios unless that rate was practically nominal.

In my opinion S-L studio must first be adequately equipped to do business, then operated by or for the trustees through a General Manager. He could be given a lease at nominal rental rate, placed under contract and bond to properly account for receipts and expenditures, with supervision of trustees, or an executive committee representing them. Stockholders interference should then be nullified, and I believe more dependable aggregate returns should result than from lease. It should, at least, restore stockholders to the status promised them at the time they signed S-L Studios San Diego subscription blanks.

The psychology of present power shortage and curtailment in L. A. and advantage to S-L should not be overlooked. Quick action will help.

(signed) Oliver Whaley

cc - Mr. Chambers.

October 8, 1924

Mr. Oliver Whaley
Box 528,
La Mesa, California

Dear Sir:

This will acknowledge receipt of your letter of October 7th, and I hasten to answer the same. I note what you say in reference to the roof of the Studio, and will take the matter up with the Board of Trustees at once.

The matter of your pay is a matter on which I am unable to give you an answer at this time. As you will remember, I informed you that the Trustees would not be responsible for your salary after July 1, and understood from you that Mr. Arnett and Mr. Jeancon had made suitable arrangements with you and Mr. O'Brien in regard to the same. There is a matter of a few dollars due each of you up to July 1st by the present Board of Trustees. So far as I or any of the other trustees knew, you and Mr. O'Brien had been getting your salary regularly from Mr. Arnett and Mr. Jeancon.

They have apparently fallen down on the lease, and at the last meeting of the Board of Trustees it was voted to employ Judge Sloane to file suit, which I believe has been done. As I have just returned from my vacation, I have not had an opportunity to take up the matter with any of the trustees or Judge Sloane, but I did notice in the papers that the suit had been brought.

So far as your services are concerned during the time past, I feel as one of the trustees that you should look to Mr. Arnett and Mr. Jeancon who employed you. I am sending a copy of this letter to each of the other trustees, and I feel that Mr. White, the President, will feel it incumbent to call a meeting to take it up with the other matters needing attention. I am not familiar with the action which Judge Sloane has brought, and do not desire to make any promises as to your future salary until I have had an opportunity to confer with the other Trustees and Judge Sloane.

You make the statement that you should not be compelled to await legal determination of responsibility for payment for your services. There isn't any question about the legal responsibility for such services from July 1st to date, as I personally informed you that Mr. Jeancon and Mr. Arnett were taking possession of the Studio on that date, and you would have to make arrangements with them, and afterwards I asked you if they had been out and made such arrangements and you informed me that they had.

They now owe the Studio \$4000.00 in addition to other expenses. I am informed that recently an attempt was made to rent the Studio or a portion of the same from Mr. Jeancon by the Hart-Loring-Wells Company, and that he demanded a rental of \$800.00 per month.

I will take up the matter of your future salary with the Trustees and see what they desire to do.

Very truly yours,

(Signed) Claude L. Chambers

Secretary, Board of Trustees

COPY

October 7, 1924

Judge Claude L. Chambers
U. S. National Bank Building
San Diego, California

Dear Juige Chambers:

Defective roof drainage and siding, at southwest corner of S. L. Studio building causes leakage from ceiling in studio front office when it rains or there is heavy fog. Watchmen must place vessels to catch this leakage, otherwise damage to furniture and rugs follows. Last night rain again indicated the defect described and several gallons of water dripped from ceiling and was caught in receptacles placed by night watchman. Water continues to drip from the ceiling today, indicating an accumulation of water on upper side of the ceiling.

COPY
The watchmen, Mr. O'Brien and myself, confidently expect you and other trustees to speedily arrange payment to us for this and similar past services rendered. As you know, we have received no pay for several months. This, we hear, is due to some misunderstanding between Trustees and Lessees. However, we, as innocent performers of the required protection of the building, cannot be reasonably concerned in any controversy between others; on the contrary prompt payment should be made us, and the amount thereof included in such claims as those reported to be in disagreement may have in dispute.

Certainly we should not be compelled to await legal determination of responsibility for payment for our services. The business-like way is to continue required protection of the property through prompt payment of current and past labor claims, and get reimbursement when a decision as to responsibility is made.

The Trustees have provided for protection by insurance and a watchmans clock that is required to get insurance, which they have (perforce) been compelled to pay for. They have, however, failed to provide for the expense, or pay for watchmen, essential to validate their insurance policy, a requirement of insurance companies.

In these circumstances it does not seem inconsistent that we should now ask S-L trustees to make immediate payment to us for our services and get reimbursed as suggested.

Yours very truly,

(Signed) OLIVER WHALEY

S L STUDIOS - SAN DIEGO
EXECUTIVE OFFICES SPRECKELS BUILDING

OFFICES OF
MANAGER

~~SAN DIEGO, CALIFORNIA~~
La Mesa, Calif., Oct. 11th, 1924.

Judge Claude L. Chambers,
Sec'y Trustees S-L Studios San Diego,
U.S. National Bank Building,
San Diego, California.

Dear Judge Chambers:--

Your letter 8th, regarding pay for past and future services of myself and Mr. O'Brien at S-L studio, reached me last night and I thank you for the courtesy, and information it contains.

Before the Board of Trustees definitely decide this matter they will, no doubt, feel that their consideration should be given available data bearing thereon; therefore (supplemental to my letter of the 7th) I respectfully submit the following for that purpose, which may be verified and amplified by inspection of my records.

Our service at S-L studio commenced early in 1923 and until Dec 15th last we were partially paid, at irregular intervals, by representatives of the then incumbent Board of Trustees headed by A.H. Sawyer.

At that time a balance of \$375.00 was due me for services of which \$150.00 was shown on S-L books, and \$225.00 omitted by request of R.D. McLeod, who promised early payment of this \$225. and future service for Grossmont Pictures Corporation, alleged lessees of the studio at that time.

About Dec. 19th, 1923 Mr. Robert Hart gave me a check for \$50.00 on behalf of Hart, Loring & Wells, (S-L trustees at that date) reducing the \$150.00 due me--as shown on trustees books--to \$100.00

For services from Nov. 25th to Dec. 15th, 1923 inclusive, there is an unpaid balance of \$90.00 due P.H. O'Brien, the only record of this, so far as I know, appearing on time book I keep. A report of this time, signed by E.J. Shulter and myself, was made and handed to Mr. Wells Dec. 19th, 1923.

For services from Dec. 16 to Dec. 31, 1923 Both myself and O'Brien were paid weekly, by Hart, Loring & Wells, trustees. Grossmont Pictures Corporation, through McLeod, paid us \$150.00 each on April 7th, 1924 which covered our services to March 15th, and that company was delinquent \$390.00 to each of us June 14th, when, it is understood, verbally, that they surrendered lease on the studio.

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OFFICES OF
MANAGER

SAN DIEGO, CALIFORNIA

Chambers (2)

The present Board of Trustees paid us \$60.00 each July 7th, which covered the period June 15-28th, inclusive and you have time report for \$8.58 due each of us for June 29-30.

At this date there is an additional \$441.42 due each O'Brien and myself, for services July 1st., to Oct. 11th, 1924. In summary we have rendered services at S-L studio to date, for which we have not been paid, the following amounts:--

Oliver Whaley a/c

Balance now on S-L studio books-----	\$100.00
" to Dec. 15, 1923 (McLeod deferred)---	225.00
March 16th--June 14th, 1924-----	390.00
June 29th--30th-----	8.58
July 1st--Oct. 11th, 1924-----	441.42
Total bal. due--	\$1165.00

P.H. O'Brien a/c

Nov. 25th--Dec. 15th, 1923-----	\$ 90.00
March 16th--June 14th, 1924-----	390.00
June 29th--30th-----	8.58
July 1st.--Oct. 11th, 1924-----	441.42
Total bal. due--	\$930.00

It is true that we have been verbally advised of various changes in studio affairs, and equally true that we have continuously and faithfully served under verbal instructions and have received part compensation therefor, as above stated. In doing this, notwithstanding various rumors and promises, we have steadfastly believed, (and now believe) that service such as ours would, in the finality, be recognized as necessary for protection of S-L Property and that we could, with propriety, rely on recognition of that fact and prompt payment from a conscientious, representative and just Board of Trustees, such as we believe the at present functioning board to be.

That legal technicalities, or suits for non-performance of lease terms and other differences between lessors and lessees, would result in indefinitely depriving us of our wages, or that we might be hopelessly "carrying on" through rendering service and expending our funds to live on, without consideration or recompense, never occurred to us. Further, it does not now seem that we should be compelled to seek recompense from irresponsible lessees, or those failing to comply with lease terms, in whose selection we had no part.

If trustees are in a position to enforce payment of

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MANAGER

SAN DIEGO, CALIFORNIA

(Chambers 3)

rentals from lessees they are also in position to enforce payments of other lease terms, including watchmen's salaries.

Morally, if not legally, executives should safeguard and pay claims such as ours, based on labor for property protection) without involving innocent servants in delays incident to disputes or litigation. We are sorely in need of the funds due us and feel justified in again asking that the Board of Trustees give this matter their expected fair consideration, particularly from the standpoint of "put yourself in the other fellows place" before deciding in finality.

When I recently went to San Diego to consult you and other trustees, (none of whom could be seen by me that day) I paid my substitute at the studio promptly in cash, and considered it my duty to do it. I expected to talk to you about deferred wage payments and other matters.

Mr. Wells is the only trustee coming to the studio at frequent intervals and has been kept thoroughly in touch with affairs there for that reason, with expectation that he would inform other trustees of matters out here concerning them and us. This includes information about our not getting paid since July 1st.

I think you all have been fully informed about pay arrearages prior to that date. In fact I wrote, and talked to you on that subject. When Ed. Fletcher, Jr., installed watchmen's clock system at studio he said he had heard trustees say they would make some arrangement whereby O'Brien and myself could get paid for services while McLeod had the lease. Others have given me similar information.

Yes, I was verbally informed of lease effective July 1st., by you and others. Mr. Jeancon came to studio June 21st., and asked that we continue service as watchmen until he made some arrangements which he expected to complete in a short time thereafter. He remained at studio about ten minutes. I have not seen him since that brief visit. Neither has he communicated with me in any way. Two letters written him by me have not been replied to.

Fair consideration of our condition by the Board of Trustees is asked for again and confidently anticipated. We feel justice will be done us quickly, and without further action on our part. I am mailing a copy of this letter to each member of the board.

Yours very truly,

Oliver Whaley

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTRY OF SAN DIEGO.

No. 43605

OLIVER WHALEY,
Plaintiff

vs

S. L. STUDIOS, A Trust Estate,
F. M. WHITE, ED FLETCHER, CLAUDE
L. CHAMBERS, WILLIAM R. WHEELER and
RAYMOND WELLS,
Defendants

Complaint

THE PLAINTIFF COMPLAINS of the defendants, and for cause of action alleges:

AS A FIRST CAUSE OF ACTION:

I.

THAT within two years last past, the defendants became, ever since have been and now are, indebted to the plaintiff in the sum of ONE THOUSAND TWO HUNDRED SIXTY SEVEN and 87/100 Dollars (\$1,267.87) for work, labor and services performed by the plaintiff for the defendants at their special instance and request as caretaker and watchman of the property of the S. L. STUDIOS, at Grossmont, California, for which the defendants promised to pay the plaintiff the said sum of ONE THOUSAND TWO HUNDRED SIXTY SEVEN and 87/100 Dollars (\$1,267.87).

II.

That neither the whole, nor any part thereof, has been paid.

III.

That the defendant, S. L. STUDIOS, is a Trust Estate, and that the defendants, F. M. WHITE, ED FLETCHER, CLAUDE L. CHAMBERS, WILLIAM R. WHEELER and RAYMOND WELLS are trustees thereof.

AS A SECOND CAUSE OF ACTION:

I.

Paragraph II of the FIRST CAUSE OF ACTION is hereby referred to and made a part of this cause of action.

II.

That within two years last past the defendants became, ever since have been and now are indebted to the plaintiff in the sum of ONE THOUSAND TWO HUNDRED SIXTY SEVEN and 87/100 Dollars (\$1,267.87) as the reasonable value for work, labor, services performed by the plaintiff for the defendants, with their knowledge and consent, and

Ed Fletcher Papers

1870-1955

MSS.81

Box: 33 Folder: 25

General Correspondence - Whaley, Oliver



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