

El Cerrito Heights

TRACT OFFICE: EL CAJON AVE. AND 58TH ST.

R. F. D. NO. 2 BOX 422

SAN DIEGO, CALIFORNIA

July 25, 1929

Colonel Ed. Fletcher
1024 Ninth Street
San Diego, California

My dear Colonel Fletcher:

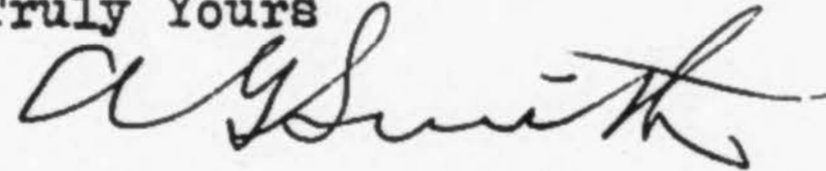
Following our pleasant conversation at lunch yesterday I have made an investigation of several angles of the suit under discussion and find as follows:

On November 17, 1927, my attorney, Mr Leland Stanford held a conversation with you in your office concerning the suit and on that occasion you said you would write to him in a few days concerning the same. You did so on the 21st of November and recourse to your files will doubtless disclose the presence of a copy of that letter. One of the remarks in that letter was that Mr Smith had never paid the Cuyamaca Water Company \$18,000 or nay other sum.

I am writing to clear up your mind of the idea that summary action was taken against you by me without first according you the courtesy of any notification of my intentions.

With kind personal regards, I remain,

Very Truly Yours



A. G. Smith.

A. G. Smith

August 5, 1929.

Mr. A. G. Smith
~~Long Beach~~, California.

1268 Elk St

Blindale
My dear Mr. Smith:

Answering yours of July 25th will say that I must be growing old for I had no recollection of ever discussing the matter with Mr. Stanford and I have no recollection now. It must have been short and sweet. The letter speaks for itself.

If you will come down and examine our books you will find that it was not a cash consideration of \$18,000 to the San Diego Flume Company or any other sum of money, but was a consolidation of old water right contracts back of 1890, I believe, and the \$18,000 represents the original contracts 40 years ago. In other words, while the consideration states \$18,000, as made in 1908 or 1910, the contract that you referred to, in reality not a dollar was paid at that time.

The point that I want you to understand is this: James A. Murray and Ed Fletcher never entered into this contract; never received any part of this \$18,000; and it was only thru the authorities of the State of California declaring us a public utility and changing the rates to all consumers that forced any change. You have never been refused water, you admit, and it is wholly a question of price.

San Diego Flume Company, who got the money, went insolvent. The stockholders lost every dollar and we bought the property from the representative of the bondholders, who took over the property. I saw the bonds destroyed myself, 800,000 of them. The bond holders only got 15¢ on the dollar. I am sure your attorney will advise you, if there are any damages to be collected, it is from the one who got the money. They are out of business, insolvent, and I am sure you are throwing away good money after bad.

I appreciate your friendly attitude and apologise for my poor memory.

Purely as a matter of compromise, I renew my offer to pay any reasonable sum to Mr. Leland Stanford for his expenses and get judgment by default, or if you are going

Mr. A. G. Smith -2-

August 5, 1929.

to press the suit, I ask you to please live up to your obligation made the other day at the Club to immediately subpoena all the other parties to the suit and bring them in rather than continue persecuting me alone. I am sure that was not your intention and I hold Mr. Stanford responsible for this.

Yours very truly,

EF:GME

CC Mr. P. R. Milnes

OFFICERS
MARVIN SMITH
PRESIDENT
LEN C. DAVIS
VICE-PRESIDENT
A. G. SMITH
VICE-PRESIDENT
G. E. FARMER
SECRETARY-TREASURER
DORIS DAVIS
ASSISTANT SECRETARY
PHONE
DOUGLAS 131

Gibraltar Finance Corporation



244 S. Brand Boulevard, Glendale, California

August 27, 1929

DIRECTORS
LEN C. DAVIS
GEORGE FARMER
A. G. SMITH
JOE FORTUNATO
THOMAS C. LOVE
MARVIN SMITH
C. F. LUTES
EARL S. PATTERSON
T. H. MENK
PHONE
CAPITOL 2902

Col. Ed Fletcher
1024 Nineth Street
San Diego, California

My dear Colonel Fletcher:

In compliance with my agreement with you that I would carefully check over the decision that you cited for me with my attorney as well as go over the entire situation equitably for all parties concerned. I have spent much time in checking everything connected with the proposition and have this to say to you.

The legal decisions that you have reference to, seems very clear that the covenants made by you and sanctioned by the Railroad Corporation (run with the land) even though the City has taken over the proposition I feel very certain of your responsibility in the matter and I shall be glad, in justice to you, to see that the other defendants named in the complaint are served with process.

Now, Colonel, if you will bear with me for a little personal explanation I would remind you that when I purchased El Cerrito Park Company that I was shown the contract, and also was reliably informed that the water rate was about one fourth of what it is now, and naturally in the purchase of a tract of land of the size of this one there are many kinds of developments necessary to fully develop the entire holdings, all of which I knew at the time, as well as now. It is true that in the selling of lots to individual purchasers that no doubt the city would be able to furnish all the water necessary, but I have found that at the present time it will be impossible to sell all of the land in city lots, and will therefore be compelled to develop

Page -2-
Colonel Fletcher

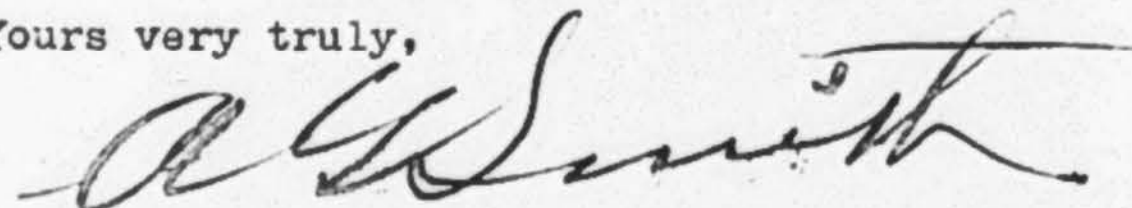
the land in another manner, which of course would make the present water rate prohibitive. It was my intention when I purchased the land to hold it and subdivide it as I went along, but under the new appraisement for taxes it would be impossible for me or anyone else to carry this for any length of time, because the taxes would soon swallow the whole proposition up. I have, therefore, made up my mind to put my holdings, south of University, which is about 150 acres, into Avacados, and sell for Avacado estates.

Now the main obstacle that confronts me is the water, for on 100 acres of Avacados you can imagine what my water bill would amount to at the present rates. I have had the land all tested and checked, and am prepared to go ahead with my developments. I have engaged a man to dig me a well on the south slope, hoping and believing that I can secure a flow of water sufficient to take care of my needs, and of course my whole Avacado proposition depends exclusively on this supply. I have engaged the same man to dig the well that dug the Crouch well, and he is confident that he can produce sufficient water for my development.

Now, Colonel, I have made this explanation to you in order to show you that I have no intention of gouging you or anyone else in a law suit, and I therefore make you this proposition, that if you will agree to pay for this well, which under the contract will not exceed \$1250.00, I will then dismiss this suit against you and your associates. I will take the chances, myself, on the water supply, so if you will take the trouble to carefully digest the situation I believe you will readily understand that I am not seeking anything that any other man would not expect, and that I am entirely sincere in the matter.

Assuring you of my willingness to discuss the situation with you at any time, and also assuring you of my highest personal regards for you both in and out of business, I am

Yours very truly,



AGS:DD

August Twenty-ninth,
1 9 2 9

Mr. A. G. Smith,
R.F.D. # 2, Box 422,
San Diego, Calif.

My dear Mr. Smith:

I have secured one of the tax factors men and I am getting some most interesting information regarding taxes.

I hope you made a written protest to the Board of Equalization about taxes in that way you will be able to file suit along with a number of us and get the taxes knocked out on account of their illegality.

I have already spent several hundred dollars in getting this data and later on I will have something to show that will surprise you.

We are getting a little fund together to pay these expenses. Will you kindly send a check for a hundred dollars to help out?

I am getting comparative data on all over the county, separate reports, on the following: Highway influence, subdivision, acreage, etc. We will then be able at a glance to see the unfairness of the different valuations and have them ready for proof in court later on.

Yours very truly,

EF:AK

September Tenth,
1 9 2 9

Mr. A. G. Smith,
244 South Brand,
Glendale, Calif.

Dear Mr. Smith:

Answering yours of the twenty-seventh

I am taking the matter up with my associates and you
will hear from me in the near future in relation
thereto.

Yours truly,

EF:AK

Please
Mail
Please
back

Mr. Ed Fle
1024 Nint
San Diego,

Dear Col.

El Cerrito vs.
Stcher, etc.

I think the position which the District
takes is quite right, regardless of whether
they or the City succeeded to your obliga-
tions under the so-called contract.

I do not see that there is anything re-
quired of us just now. We can sit tight and
if the case ever comes to trial, do our best.

When it comes to a show-down, I am not
at all sure that we can force the other defend-
ants into the case, but Smith can do that at
any time by making service of summons and com-
plaint on them.

If this were an action for Specific Per-
formance, we would have a right to file a cross-
complaint, bringing them in; but where it is a
suit for money damages, the court can determine
that you are not liable without having to go
into the question as to who is. Consequently,
I doubt whether we could make a cross-complaint
stick.

Yours very truly,

HGS.AW

September Tenth,
1 9 2 9

Mr. A. G. Smith,
244 South Brand,
Glendale, Calif.

Dear Mr. Smith:

Answering yours of the twenty-seventh
I am taking the matter up with my associates and you
will hear from me in the near future in relation
thereto.

Yours truly,

EF:AK

September
17th
1 9 . 2 9

Mr. Ed Fletcher,
1024 Ninth St.,
San Diego, California.

Dear Col. Fletcher: Re - El Cerrito vs.
Fletcher, etc.

I think the position which the District
takes is quite right, regardless of whether
they or the City succeeded to your obliga-
tions under the so-called contract.

I do not see that there is anything re-
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if the case ever comes to trial, do our best.

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at all sure that we can force the other defend-
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suit for money damages, the court can determine
that you are not liable without having to go
into the question as to who is. Consequently,
I doubt whether we could make a cross-complaint
stick.

Yours very truly,

HGS.AW

September
Seventh
1929

Col. Ed Fletcher,
1024 Ninth St.,
San Diego, Calif.

Dear Col. Fletcher:

We return herewith the letter of A.G. Smith, in which he proposes to accept \$1250 in settlement of the action brought by El Cerrito Park Co. against you and others.

We think that Mr. Smith would show excellent judgment in accepting this, or any other sum, in lieu of the claims which he seeks to advance in the action.

Our theory is the contract on which the action is based, namely, the agreement between San Diego Flume Co. and El Cerrito Park Water Co., has been converted into the ordinary relationship of a public utility towards its consumers.

If a contrary view is taken, it is our belief that you are completely exonerated and any liability would fall on the parties who owned and operated the system subsequent to January 1, 1927, after which date they claim their damages accrued.

If the action proceeds and Smith does not voluntarily serve La Mesa, Lemon Grove, Spring Valley Irrigation District, it might be worth while for us to file a cross-complaint, or other pleading designed to bring in as parties the persons who are really responsible under the plaintiff's theory of the case.

As we have already intimated, we do not

think their theory is of much account, and while we cannot, of course, guarantee the outcome of the case, we would feel that the payment to Smith of any amount in settlement is entirely unjustifiable.

Yours very truly,

SLOANE & SLOANE,

By

HGS.AW
Enclosure.

El Cerrito Heights

TRACT OFFICE: EL CAJON AVE. AND 58TH ST.
R. F. D. NO. 2 BOX 422
SAN DIEGO, CALIFORNIA

October 8, 1929

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

Dear Col. Fletcher:

Answering your letter of October 8th, wherein you accept my proposition of settlement of the lawsuit as per agreement with Mr. P. R. Milnes. Wish to state that if you will have your attorney draw the agreement according to your idea of what you would want and let me know when such an agreement is ready, Mr. Milnes will call and sign same with you.

Am quite sure that the matter will not need the attention of my attorney or my time so long as it pertains to the lawsuit. I am anxious to settle it as soon as possible as I do not want to take any further interest in the matter.

I would be pleased to have the matter closed up soon as it is my intentions, Colonel, that unless I feel much better in the very near future to get away from all active business for quite some time, until I feel better.

Awaiting your kindest advices, I am,

Very truly yours,



A. G. SMITH

AGS:S

El Cerrito Heights

TRACT OFFICE: EL CAJON AVE. AND 58TH ST.
R. F. D. NO. 2 BOX 422
SAN DIEGO, CALIFORNIA

October 8, 1929

Colonel Ed. Fletcher
San Diego, California

My dear Colonel Fletcher:

Mr P. R. Milnes is authorized to effect settlement of the pending suit against you involving water contract on El Cerrito Heights, in my behalf and any such settlement agreed to by him will be recognized by me.

Very Truly Yours



A. G. Smith.

October Twenty-second,
1 9 2 9

Mr. A. G. Smith,
5845 El Cajon Blvd.,
San Diego, Calif.

Dear Mr. Smith:

Answering your letter of October eighth giving authority to Mr. Milnes to settle the litigation against us and answering Mr. Milnes letter of October eighteenth in relation thereto will say this offer is accepted on the understanding that it is so arranged that there will be no further litigation in regard to this action and our interests will be protected by Mr. Sloane, my attorney.

Any time the attorneys can get together and straighten the matter up the money will be available.

Yours very truly,

EP:AK

RECEIVED the sum of SIX HUNDRED DOLLARS (\$600.00) in full payment of all claims and demands of whatsoever kind and nature arising or to arise out of or under contract of San Diego Flume Company or out of any other matters set forth in Action #57707, Superior Court, San Diego County, California.

The above mentioned case will be dismissed with prejudice by the attorney of record within ten days from date.

EL CERRILLO PARK WATER CO.,

BY Smith

EL CERRILLO PARK CO.,

BY _____

A. G. SMITH.

Dated at San Diego, California, October 25th, 1929.

November Twelfth,

1 9 2 9

Mr. A. G. Smith,
5845 El Cajon Blvd.,
San Diego, Calif.

Dear Mr. Smith:

Enclosed find copy of letter from Mr. Lloyd
B. Hill under date of October 19th that is
explanatory.

I am having the information in this letter
verified by the county assessor, Mr. Moulton.

Please do not make this information public until
I have Mr. Moulton's verification as to the
facts.

There is a lot of other data that I am preparing
that will be of interest.

Very sincerely yours,

EF:AK

Ed Fletcher Papers

1870-1955

MSS.81

Box: 25 Folder: 28

General Correspondence - Smith, A.G.



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