

December 1st, 1935.

Mr. Glen H. Munkelt,
San Diego Trust & Savings Bldg.,
San Diego, California.

My dear Mr. Munkelt:

Re Wm. B. Gross Estate

I acknowledge receipt of your letter of November 29th, and appreciate your position in the matter.

That you may have the picture as near as I can give it — the Grossmont property that I purchased from Mr. Gross, his interest, originally consisted of about 275 acres. Gross and I had sold 55 acres. We both of us had our money back and a profit as well. Some years ago, according to my recollection, I paid him \$36,000.00 and gave him 2 additional acres of land for his interest, which was all profit to him.

He took my notes for most of it and did not want any security. The Grossmont Park Company stock is owned entirely by the Fletcher family and this property is a part of their holdings. Mrs. Fletcher and I each own one share of stock in the Grossmont Park Company. The children have owned all of the rest of the stock for years.

It is just possible that I can make some arrangement with the Grossmont Park Company to transfer 42 acres of land, as per map herewith enclosed, in full cancellation of the obligation. I have certain claims against Mr. Gross' estate, certain guarantees of Mr. Gross relative to mining stock that he sold me and other claims, but I thought those could all be adjusted at some time when we could all get together. I think on investigation you will find that if it is satisfactory to the court, the executors can accept land in payment of an indebtedness.

I do not know where I could borrow the money to make a cash settlement, but whoever is in authority might advise me what is the lowest cash settlement they will make. Cash is king now-a-days. When Home Loan Bank bonds are selling at 80; when foreign nations are only offering us 10 cents on the dollar; when irrigation district bonds are selling at 20 to 30 cents on the dollar, San Diego City bonds selling at 70 and 80, First National Bank stock at \$6.00 a share, and Security First National of Los Angeles today selling

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at 25 which sold at 180 4 years ago, and the National City Bank stock selling at \$21 a share which sold at \$515 5 years ago — the question is what discount are you going to make if I can dig up the cash. I must get some idea of what you are willing to do.

I am sorry to say a judgment against me today is not worth anything. It is only as and when I can work the thing out. It would be the irony of fate to have my partner and one of my dearest friends, thru his estate, put me thru involuntary insolvency.

I have sent a copy of this letter to Mr. Sloane, my attorney and am in hopes that we can have a conference at an early date. I am also sending a copy of this letter, with your permission to Mr. Reiser.

Anything you can do to help adjust this most unfortunate matter will be greatly appreciated.

Yours sincerely,

(signed) ED FLETCHER

EF:KLM

P. S. I may be able to get my children to deed some property, either acreage near Bolana Beach or lots in the townsite, close to the ocean, in exchange for the notes, if you can see your way clear to do so. Under no conditions can I dig up the cash myself, but if you will let me know what is the lowest cash discount you will take for the notes I will try and get one of my friends to buy same.

R.F.

December 1st, 1935.

Mr. Glen H. Munkelt,
San Diego Trust & Savings Bldg.,
San Diego, California.

My dear Mr. Munkelt: I acknowledge receipt of your letter of November 28th, 1935, and appreciate your position in the matter.

That you may have the picture as near as I can give it — the Grossmont property that I purchased from Mr. Gross, his interest, originally consisted of about 275 acres. Gross and I had sold 55 acres. We both of us had our money back and a profit as well. Some years ago, according to my recollection, I paid him \$26,000.00 and gave him 2 additional acres of land for his interest, which was all profit to him.

He took my notes for most of it and did not want any security. The Grossmont Park Company stock is owned entirely by the Fletcher family and this property is a part of their holdings. Mrs. Fletcher and I each own one share of stock in the Grossmont Park Company. The children have owned all of the rest of the stock for years.

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February 23, 1936.

Mr. Glen Munkelt,
San Diego Trust & Savings Bldg.,
San Diego, California.

My dear Glen:

Referring to our conversation the other day regarding the Gross note, and my letter of January 23th, 1936 written to Mr. Gross, in which I said "I am right up against it for ready money and have over a million dollars worth of property without a dollar against it, but there is not a bank in the city who will loan me a dollar on outside property at the present time".

At that time all of Olana Beach townsite was in my name and I considered it worth several hundred thousand dollars. The sidewalks, curbs and paving were in and paid for. Things went from bad to worse. There are five years taxes against the property and the Santa Fe District has taken over a deed to the entire property. The delinquent taxes against each lot are from a minimum of \$45.00 to \$365.00 and the First National Bank, which has a large part of this property, turned over to them since 1930, as security for their loan, has refused even to pay the taxes.

Avocado orchards which I was selling at \$500.00 an acre at that time or the year before, are not worth 10 cents on the dollar, for the avocado industry has blown up and I have dug up over 100 acres of 5 and 6 year old trees. Some of this was turned over to the banks as security for what I owe them and they are not even paying the taxes.

A piece of land between the highway and the ocean which I valued at \$40,000 has been taken over for taxes by the Santa Fe District, with an average of \$400.00 an acre delinquent taxes against it. The 1200 acres adjoining Mission do has been turned over to the Bank of America as additional security on what I owe them, as well as a large part of the Grossmont property. The First National Bank has the "Hyer-Wagner-Harrison" property which I valued at \$105,000.00 but most of that is in a Mattoon Act now and the bank won't even pay the taxes on it. 120 acres of the "Cable" property which I valued at \$60,000 in 1930 is not worth a nickel as it is tied up in improvement districts for

paving, and there are 5 years delinquent taxes. The 70 acres in Cardiff Heights, which I valued at \$50,000 in 1930 is not worth a nickel, with 5 years' delinquent taxes and improvement district bonds against it. Keeney Gardens tract of 65 acres which I valued at \$50,000 in 1930 is not worth a nickel and the irrigation district has taken it for taxes. The Canfield-Fletcher property that I valued at \$65,000 has a mortgage against it of \$15,000 which is about to outlaw. The Bayview Homestead lots of 2 to 6, in San Diego, which I valued at \$75,000 are mortgaged for \$35,000 to the Bank of America and would not bring \$10,000 today.

The houses that I had at Solana Beach are all mortgaged and the banks own them.

The Marshall Ranch property in Stanislaus County which I valued at \$80,000 for my equity is a complete loss.

Today I am flat broke but I am trying to do the right thing as near as I can and trying to save something out of the wreck for the Gross estate.

I have reason to believe, and it is easily verified, that half of what I owe the First National Bank has already been charged off and that if I could get \$25,000 cash they would accept it in full of account, something like \$100,000 that I owe them, but I cannot dig it up and take advantage of it. Just so another outfit that I owe \$150,000 with 1200 acres of good land as security, they have offered to settle for \$25,000 in full, and I cannot take advantage of it.

We have had to settle for 25 to 40 cents on the dollar with over 100 different people who owed us in the last four or five years. I am not asking anyone to discount my obligations. If I live and if conditions come back I will pay, but it looks almost hopeless now. There are 15 or 20 who can bring suit today and throw me into insolvency but none of them has seen fit to do it. All of them are secured by real estate of some sort and value, excepting the Gross matter and two or three other small accounts. In my letter of Jan. 29th, 1930 I offered and urged Gross to take some real estate as security but he would not do it.

I still am trying to protect the Gross estate. The only thing that can be done, with the consent of the Grossmont Park Company, is to deed them a large part of the property on Grossmont. Unfortunately that property is all tied up with five

years delinquent state and county and irrigation district taxes, and the taxes have been so high that you are paying half the value of the property today when you pay up the back taxes, even with the penalties knocked off. This will have to be done before the 20th of April next, under a law passed by the last legislature or the right to redeem without penalties is lost.

The children who own the stock of the Grossmont Park Company want to do everything that is fair, and I think I can prevail upon them to make an exchange of Gross' notes for some real estate that is not so encumbered, if this arrangement can be made. I have in mind two or three pieces of property which the children might consider exchanging.

The only thing I could possibly do now would be to offer to pay the small note of \$196.96, with interest. I am willing to undertake to pay \$50.00 a month on that until it is paid and make an effort to make an exchange of real estate to compensate the estate for my obligation. I have always felt that the 7 percent interest rate is outrageous and should be taken into consideration. The First National Bank was charging 7 percent, but gave me a credit of nearly \$5,000 on my obligation, a credit of 1 percent interest since Jan. 1, 1930, and the banks are now only charging me from 4 to 5 percent for most of my obligations, but the fact is that I have not paid even interest for the past two years, for all my sources of revenue have dried up completely and we are living from day to day.

Every dollar of this indebtedness and \$50,000 besides which I have paid Gross was all profit to him, therefore I feel that as a matter of equity a compromise of some kind should be reached that is fair to all parties in interest. I have been carrying the load all these years, paying taxes, etc. and sold very little of Grossmont. Gross was rather hard on me when it came to the matter of interest. My letter to him of Feb. 4, 1930, copy of which is attached is explanatory. He was forcing me to pay 8 percent interest, and I paid it. He did not increase my rate of interest until after the panic.

I am sending copy of this letter to Mr. Rieser and Mr. Ferry for their information.

Thanking you for your courtesy in this matter, I am
Sincerely yours,

GLEN H. MUNKELT
ATTORNEY AND COUNSELOR
1004 SAN DIEGO TRUST & SAVINGS BLDG.
SAN DIEGO, CALIFORNIA

April 18, 1938

*Get Mrs F
to sign &
get Boys &
approve*

SENATOR ED FLETCHER,
1020 Ninth Ave.,
San Diego, California.

Dear Senator:

Your note to the Union Trust Company of San Diego dated January 4, 1935, payable on demand, will be barred by the statute of limitations on January 4, 1939. In view of the proposed compromise of this debt and the fact that the compromise would extend beyond January 4, 1939, I deem it necessary to have a new note signed by you and Mrs. Fletcher, and to make our compromise of this new note.

Interest on the old ^{OK} note computed to May 4, 1938 amounts to \$2,680.70, this added to the principal of the old note makes a total of \$14,169.46. I enclose a new note in this sum due on demand to be signed by you and Mrs. Fletcher, and when this note is returned I will deliver it to the Union Trust Company and they will cancel the note of January 4, 1935.

I enclose a proposed offer of compromise to be made by the Grossmont Park Company of the new note when given. I do not know whether the terms of this offer are those which the Grossmont Park Company wish to propose or not, but if there are any changes to be made, I will be glad to confer with you and revise the offer to meet the needs. If it is satisfactory, have it executed by the Grossmont Park Company, and upon its receipt the Union Trust Company, as Trustee, will report the matter to the Court and ask for the compromise.

Yours very truly,

Glen H Munkelt

GHM/m
2 encl.

*OK
M.H.F.
OK
J.T.F.
OK
E.F.J.*

*OK
OK
OK*

April 27, 1938

Mr. Glen H. Munkelt
1004 S.D. Trust & Savings Bldg.,
San Diego, California

Friend Munkelt:

Thanks for your letter of the 18th. I am enclosing note of \$14,169.46, also the signed Agreement as requested, and thank you very much for your courtesy in the matter.

I will have the first \$1,000 available by the time the Court approves the settlement.

With kindest regards,

Sincerely yours,

EF/jv
Encl.

Ed Fletcher Papers

1870-1955

MSS.81

Box: 18 Folder: 32

General Correspondence - Munkelt, Glen H.



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