

June 10, 1938.

Mr. N. P. Moerdyke,
914 Washington Building,
Los Angeles, California.

My dear Mr. Moerdyke:

Enclosed find copy of letter I have sent
Mr. Durham, re validity of tax deeds to the state for delinquent taxes.
I am sure you will find it of interest.

My office is checking up on the data covering
the history of the case pertaining to the Thum mortgage and you will
hear from me later.

Enclosed find copy of letter that the First
National Bank wrote me in Sacramento. I just want you to get some
idea of what they think of me after 49 years residence in San Diego.
I welcome your writing them or any of the other banks; the Bank of
America has been just as kind, as well as the San Diego Trust &
Savings Bank, J. W. Sefton, President; and the Security Trust &
Savings Bank, Charles Martin, President.

I appreciate your friendly approach in this
matter and will give you the best that is in me to help solve it.

Am looking for you to be with us next Monday
and am keeping the day open.

Yours sincerely,

EF M

June 11, 1938

Mr. N.P. Moerdyke
914 Washington Bldg.,
Los Angeles, California

Re:-F.&E. THUM COMPANY

My dear Mr. Moerdyke:

Mr. Reed of the Municipal Bond Company was here yester-
day. I was out of the City but he telephoned me that he had had a
conference with the Attorney for the Irrigation District and the Dis-
trict Attorney of San Diego, and that a way had been found for the
Irrigation District to accept payment from us on the taxes for the
30% of the property in Fletcher Hills that the Municipal Bond Company
offers to give us a clear title to, but not on the 70% which they
want to keep as their property. Also, that a way was found yesterday
to settle with the Grossmont School Trustees on a cash basis.

I told Mr. Reed of our meeting Thursday in Los Angeles
with Mrs. Thum, Miss Margaret Thum, Mrs. William Thum and yourself,
that you were the newly appointed Attorney for the Thum Company and
that I wanted Mr. Reed to take matters up with you as I must work in
harmony with the Thum Company according to the obligation that I owe
them.

Mr. Reed is very desirous of talking this matter over with
you. Will you kindly give him a ring the first of the week and get to-
gether and discuss the situation. It would look as if we might go
ahead along the lines of the original tentative settlement if satis-
factory to the F.&E. Thum Company.

I am looking forward to your coming to San Diego shortly
to look over the whole situation, and meet the District Attorney and
the representatives of the Irrigation District. Telephone me the day
you are coming down next week.

Sincerely yours,

EF/jv

cc-Reed
cc-Armistead Carter
cc-La Mesa Irrig. Dist.

cc-Kettner 10719

June 17, 1938

Mr. N.P. Moerdyke
914 Washington Bldg.,
Los Angeles, California

Re: F. & W. THUM COMPANY

1938-1939
cc: Mr. Moerdyke:

Confirming our talk of yesterday, the actual figures that my son has secured from the La Mesa Irrigation District to and including 1938 taxes on the land in the Thum mortgage, is \$27,421.01.

I have just seen the President of the Irrigation District, asked him if he would recommend accepting a 15% on the dollar settlement and he has agreed to do so, and I am sure I will also have the support of the General Manager, who was our General Manager for nineteen years before we sold the water system to the District. The amount necessary to clean up all the Irrigation District taxes to date, would be \$4,113.15. As I told you the other day, our only danger is that the District who have already taken a deed to the property might file suit any day to quiet title. From the investigations we have made, there is serious question as to whether we can upset the District's deed, although we did so with the Santa Fe District - but they were more lax in their methods of bookkeeping. As stated to you yesterday, I wish the F. & W. Thum Company should advance the money to pay these taxes. We can arrange to refund this money just as soon as the tax deed is removed on the land in the \$12,000 as we have a bonafide offer from a party to buy a \$12,000 home and a piece of land for \$4250 as soon as we can give clear title.

On my return home this morning, I find a letter from my old friend, W.S. Gandy of the Gandy Investment Company, 734 Santa Monica Blvd., Santa Monica, who states that they are interested in the property. I took them all over it eight weeks ago. Mr. Gandy Sr. is now in Colorado and will return home in a few weeks. I have submitted them a definite proposition that would allow me to give you the \$15,000 in cash. Also, my cousin, Edward Prouty of Boston, Massachusetts is interested and I am trying to get the money from him as I take it that the F. & W. Thum Company prefer to have their cash rather than go into the real estate business, but it is vital to protect this property now from the Irrigation District.

The tax deed is invalid as far as the State and County taxes are concerned, and I am telephoning Mr. Durham this morning to see you without fail today before he leaves for Del Norte County for a four weeks trip. Mr. Durham and his experts have made a complete check at my expense and can give you the positive proof as between lawyers that the tax deeds to the state and county are wholly invalid.

JOHN C. STICK

N. P. MOERDYKE

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

June 18, 1938

File Thum

Mr. Ed Fletcher
1018-1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:-

This will acknowledge receipt of your letter of June 17, the information contained in which is very interesting. As I advised you in our conversation of the 16th, I am not authorized to make any commitment on behalf of F. & W. Thum Company as to what that company will be willing to do in connection with the adjustment of the irrigation district taxes, nor with respect to a settlement of the F. & W. Thum Company's mortgage interest in the property. I tried to make it clear that the decision of that company would depend upon the situation as I find it in the investigation I will make next week, and upon further developments in that direction. As I understand the situation at present, no definite arrangement exists on either point, but if any arrangement or commitment is to be made in either respect it will be made upon the basis of further investigation and further negotiations and developments.

Mr. Durham saw me yesterday morning and provided me with what I consider to be very valuable information regarding the situation. So far as I know now, I will be in San Diego next Wednesday, but if I am compelled to change my plans I will advise you promptly.

Very truly yours,

N. P. Moerdyke
OF STICK AND MOERDYKE

NPM:F

1. *Chlorophyll a* (Chl a)
2. *Chlorophyll b* (Chl b)
3. *Chlorophyll c* (Chl c)

1980 JAN 14

INVESTIGATION OF THE EFFECTS OF

Don Wilfred: Switzerland
aka American born Brit.
aka: N.Y. resident

July 2, 1938

Mr. H.P. Moerdyke, Attorney
914 Washington Bldg.,
Los Angeles, California

Re:-F.&W.THUM COMPANY

My dear Mr. Moerdyke:

The enclosed letter from Harold Reed of July 1st shows that you have seen Mr. Wheeler, but have you seen Mr. Rosetti?

What is your re-action to this letter and is it a bluff or not? What is my next move and how shall I answer Mr. Reed?

With kind personal regards,

Sincerely yours,

EF/jv
Encl.

JOHN C. STICK

H. P. MOERDYKE

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

July 8, 1938

F & W Thum Co

Mr. Ed. Fletcher
1018-1020 Ninth Avenue
San Diego, California

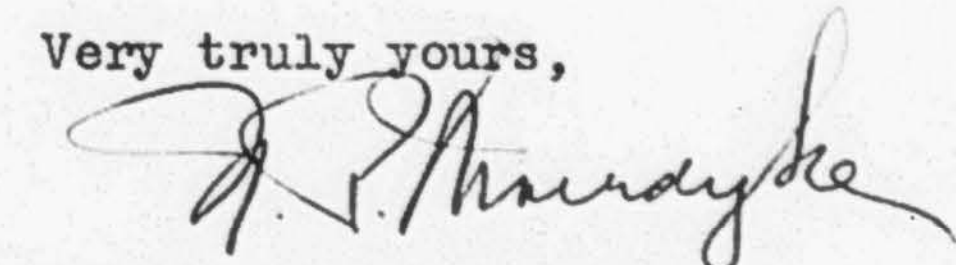
My dear Senator Fletcher:-

Receipt is acknowledged of yours of July 2nd and the attached letter from Harold Reed. In reply to your question, I have seen Mr. Wheeler but have not seen Mr. Rosetti for the reason that I was definitely advised that Mr. Wheeler was handling the matter and Mr. Wheeler, whom I know very well, communicated to me the attitude of the Bank regarding the matter, which does not at all coincide with the ~~impression which you seem to have and which the people whom I talked with in San Diego also seem to have.~~ I have learned very definitely the attitude of the Bank, which seems to be of very considerable importance to yourself and the F. & W. Thum Company. I believe we should have a further discussion of the situation, which I shall be glad to arrange at any convenient time.

I have had a copy made of Mr. Reed's letter, and am returning the original to you herewith.

Awaiting your advice in the matter, I am

Very truly yours,



OF STICK AND MOERDYKE

NPM:F

Enc.

5c
N.

Copy Sent - 8/13
Abbey

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

August 1, 1938

Thum

Col. Ed Fletcher
1018-1020 Ninth Avenue
San Diego, California

My dear Col. Fletcher:-

I have given yours of July 22 careful consideration, but have not as yet been able to discuss its contents with my clients, nor to obtain their views regarding the suggested adjustment of the A & I D No. 19 Bonds.

Expressing my personal conclusions only, I would say that the proposal should be most acceptable to the bondholders, and probably acceptable to the property owners, even though it imposes the additional burden on them of ultimately paying the additional 15% as well as their proportion of the \$25,000.00 respread. The consummation of any such adjustment means, as I construe it, that to clear up all tax liens, each individual property owner will have to pay the following items:- Approximately 20% of the amount of the A & I bonds allocable to his property, plus approximately 15% of State and County taxes delinquent and payable, plus approximately 15% of irrigation district levies. Can you estimate what this will amount to with respect to the property covered by the Thum Company mortgage? If I had a fairly accurate estimate, I could better compare the advantages of this plan as against the abandoned plan of a division of the property.

I believe you will understand that I am not authorized to commit the Thum Company with respect to any participation in the financing of any such plan, and before I even talk to them about it, I should have some fairly definite figures to talk about. Have you any idea as yet what you would be able to do personally in financing any such adjustment?

Awaiting your further advice, I am

Sincerely yours,

N. P. Moerdyke
OF STICK AND MOERDYKE

NPM:F

(signed) ED FLETCHER

July 22, 1938.

Mr. N. P. Moerdyke
311 So. Spring Street
Los Angeles, California.

My dear Mr. Moerdyke:

At the conference this morning with the District Attorney and Mr. Reed, also Mr. Dunne, we discussed a new plan that I spoke of re settlement of A & I D No. 19, Fletcher Hills. If it can be legally done Mr. Abbey is seriously considering the following plan:

The Mattoon bondholders would turn in their bonds to the county and receive thereupon county's price of 15 cents per dollar par value of such bonds, excluding interest and penalties. This surrender of their bonds, however, would be contingent on the Board of Supervisors raising the Mattoon respread by an amount equal to an additional 15 cents per dollar par value of the outstanding bonds. The county's present plan provides a respread of approximately \$25,000 which the county hopes to recover from the property owners at the time taxes are paid.

The new proposal would add and make prior to the present respread amount an additional \$77,000 making the total respread approximately \$102,000. The Board of Supervisors would pass a resolution covering the respread change and providing that the first \$77,000 of respread collected would be paid to the bondholders without any interest whatsoever thereon.

The actual mechanics of this procedure would involve all of the bonds being turned over to the county by the bondholders at the time the bondholders receive the 15 cents in cash and the county would agree to cancel all but \$102,000 par value, which would be kept alive but they also would be cancelled as the respread was paid off by the various property owners.

The resolution of the Supervisors would further provide that no additional assessment would be levied in connection with the Mattoon bonds and the present assessments of record would be cancelled back

San Diego, California
9045-1086
Jesse H. Eisenberg

Mr. Abbey's office advises me that this cancellation will go back to the year 1931-32.

Yours sincerely,

[Handwritten signature]

EF 3

August 10, 1938

Mr. H.P. Moerdyke
914 Washington Bldg.,
Los Angeles, California

Re: - F. & W. THUM COMPANY

My dear Mr. Moerdyke:

Answering your recent letter, will say that based on the figures computed by the Irrigation District and submitted under date of May 5, 1938, 15% of the total Irrigation District taxes on the Fletcher property amounts to \$4152.10 excluding interest and penalties; 15% of the principal amount of state and county taxes, plus 15% of the County's portion of the respread on A&ID's #4 and #19 amounts to \$8465.70. This would make a total of \$12,617.80 necessary to pay off on a 15% basis the Irrigation District and State and County taxes and the County's portion of the two respreads.

There would then be left only the proposed Bondholder's respread of which approximately \$50,000 is applicable to the Fletcher property and which can be paid off as the property is liquidated through sales. Our sales in the Grossmont area have been continuing at an encouraging rate, and I believe that once the property in Fletcher Hills is available, we can make a very creditable showing here also.

As I see this proposed plan for liquidating the Mattoon Bondholders, the net result is - if we assume a settlement of the Irrigation District and State and County levies on the basis outlined above that of the 30% of net principal of the Mattoon Bonds which the Bondholders are to receive, the County will be paying 14.25%, and the property owners will only be paying 15.75%. This is after settling the County's portion of the respread on a basis of 15% of the amount provided in the County's schedule.

I do not see how it would be possible to work out a sweeter deal than this - do you? The only thing that I am afraid of is that if we delay too long in pushing this thing through, that either the County or the Bondholders may cool off. I think the Bondholders will go for this arrangement if we give them some action. What are your thoughts and do you think the Thum Company will be agreeable to my telling the Bondholders that we are ready to accept this proposed settlement?

Sincerely yours,

EF/jv

cc-Mr. Harold Reed

cc.
12/19. Stillman

August 13, 1938

Col. Ed Fletcher
1018-1020 Ninth Avenue
San Diego, California

Dear Col. Fletcher:-

This will acknowledge yours of August 10th, outlining the proposed plan of liquidating the Mattoon Act Bonds on A&ID #19. I thoroughly agree with you that the solution afforded is the best that has been offered yet, but the important question to my clients is what you are going to be able to do in facilitating the settlement.

As you know, I have not been, and still am not, in a position to commit the Thum Company to providing any funds for any settlement, and before they take any position on the matter they will have to know, and so will I, what financing you propose to do in connection with the work-out. Before taking any position in the matter or indicating what the attitude of the Thum Company will be, it will be most important for me to have the information I am requesting.

Trusting that you will be able to provide me with this information at an early date, I am

Sincerely yours

(signed) H. P. Moerdyke -

August 16, 1938

Mr. N. P. Moerdyke
Stick & Moerdyke
511 So. Spring Street
Los Angeles, California

Re: F. & W. Thum Company

My dear Mr. Moerdyke:

Answering yours of August 13th, the valuable part of this settlement is that we do not put up any money for taxes unless we want to, but it would seem that the Mattoon Act settlement and the respread of 30¢ on the dollar can be made and no one put up a nickel. However, it would seem particularly favorable to enhance the value of the security is to make the settlement of the state, county and district tax simultaneously. My recollection is that the taxes can be settled for \$5,000 or \$6,000.

The Grossmont Park Company have a written agreement for the sale of one piece that will bring in \$4250 on a time payment if you would only advance the money to pay up the taxes now and get this settlement through on the understanding, of course, that we find out from you where Mrs. Fletcher and I are at, for the children will have to be satisfied with the settlement.

If the F. & W. Thum Company will accept the \$15,000 and interest for your settlement, this will put the land in shape so we can sell it at once and pay you back the \$15,000 and interest. Our hands are completely tied until we get some definite commitment from you in the matter. I believe you would be helping us by writing a letter that you are willing to stand a respread of 25¢ in all instead of 30¢ - that would be a step in the right direction. I believe it is nearer what the District Attorney thinks is a fair settlement than 30¢. As soon as I hear from you definitely, I will take the matter up with the children.

Every dollar on earth that Mrs. Fletcher and I have is in real estate and all the real estate is in the hands of the Banks to whom we owe \$300,000 or \$400,000. The children's property that we gave them from 1915 to 1928, is all real estate - none of which is improved to any extent, but very little of it is encumbered. A contract with them, in my opinion, would be good, although it all depends on the sale of real estate. I will take up any offer you have to make with them. The ten children have owned half of the stock since 1915, and the other half since 1928, I believe, excepting one share which Mrs. Fletcher and I own. Please give me your reaction.

Sincerely yours,

E. J.

EF/jm

August 18, 1938

Col. Ed Fletcher
1018-1020 Ninth Avenue
San Diego, California

Dear Col. Fletcher:

I have tried to digest yours of August 16, 1938, and after doing so must confess that I can't find in it any definite answer to my question asked in my letter of August 13, nor the makings of any definite proposition to place before my clients. I gather the implication that you don't contemplate providing any of the financing to clear the property of the various tax and bond liens, but expect the F. & W. Thum Company to provide the financing without any assurance of its repayment to them, or any plan for securing such payment; and that, at the same time, and as a condition to your cooperation in any plan of adjustment, you are demanding a small compromise of your mortgage indebtedness, without offering any definite or specific assurance of payment of a compromised amount, but are suggesting that such payment be derived out of possible sales of the property over an indefinite period. If I am correct in this, I might as well say very frankly that I am sure my clients would not consider anything of the sort. In fact, I think they would be entitled to question my judgment if I were even to submit such a suggestion to them.

If I am incorrect in my inferences, please accept my apologies, and at the same time please put me in position to discuss the matter with my clients by giving me some definite and specific plan to submit. It seems evident to me that the situation calls for some proposition from you rather than from my clients. They hold your note and mortgage, and the security of the mortgage is imperiled if not wiped out by reason of non-performance of the obligation of that mortgagor to pay taxes on the property. I believe that if you were in their position you would be looking to the mortgagor for some effort and offer to perform his obligations under the mortgage. Furthermore, I don't believe you would contemplate pouring more money into the mortgage security without some definite assurances of repayment. At least, I feel so

strongly on these points that I am certainly not going to induce my clients to commit themselves on the subject of an adjustment of the tax and bond liens, nor to discuss any compromise of your mortgage indebtedness, unless and until I have some definite and business-like proposal from you covering these matters. I frankly don't consider your letter of August 16th to be such a proposal.

If you can find your way clear to submit something concrete, I shall be glad to discuss the situation further with you.

Very sincerely yours,

OF - STICK AND MOERDYKE

August 19, 1938

Mr. N. P. Moerdyke
Stick & Moerdyke
311 So. Spring Street
Los Angeles, California

Re:-F. & W. THUM COMPANY

My dear Mr. Moerdyke:

Apparently I did not make myself clear to you in my letter of August 16th. The situation regarding the cancellation of the A. & I. D. #19 bonds is as follows: If we agree to the program, and there is no serious objection by any of the larger property owners, then the bondholders, if they also accept the plan, will surrender their bonds to the County and be paid by the County 15¢ on the dollar per value in cash. The Board of Supervisors, by appropriate resolution, will then cancel back the Mattoon assessments as I advised you in a previous letter, leaving outstanding only substantially \$102,000.00 on the entire A. & I. D. #19 property. While it would be better, if we were able to do so, to pay off the State and County and Irrigation District taxes on the property, if this cannot be done, there would be no serious injury to my program because I would expect to clear up these items on such parcels as may be sold at the time of the sale and from the money resulting from the sale. For this reason, neither the Thum Company nor the Fletchers need to put up any money now for either State and County or Irrigation District taxes or for the payment of Mattoon respreads. This is the reason why I like the present plan, because you see it will give me an opportunity to start selling property at once.

In regard to my note which the Thum Company holds, I would propose to start an active sales campaign so that the money resulting therefrom could be used to liquidate the obligation on the compromise basis set forth in my letter of August 16th.

Let me again make it clear that there is no now money required of the F. & W. Thum Company and all I am waiting for now is for your clients to tell me to go ahead and work out this method of settlement with the County and the bondholders, so that upon the consummation thereof I can immediately start to liquidate the property and pay off the Thum Company. I hope I have made myself clear in this letter and that you can have some definite word for me as to the Thum Company's attitude in this respect.

Sincerely yours,

EF

EF/jm

September 1st, 1938

Mr. N. P. Moerdyke,
311 South Spring Street
Los Angeles, California

My dear Mr. Moerdyke:

I thank you for your letter of September 1st and have decided that the suggestion of the district attorney re a settlement of a & I D No. 19 at a total to the bondholders of 30 cents on the dollar is the best thing to do, providing we can get the supervisors to confirm.

I expect to go East for a few days leaving next Thursday, and while there I want to take up with my cousin the matter of getting him interested in A & I D No. 19. I had him on the property last spring. He is familiar with the situation and what I would like to know is this, if I can get him to put up the \$15,000 cash while I am East, will you cancel the mortgage and transfer the equities that you are holding back to us. I have to have something definite to submit to him and will do everything on earth to get this matter straightened out.

May I hear from you before I leave to go East on Thursday. If you will only write to me that you will recommend it, a letter that I can show my cousin, Mr. Prouty, it will give me something to work on and let the Thum Company make the final decision.

With kind personal regards, and thanking you for your letter, I am

Sincerely yours,

Ed Fletcher

EF/jm

P. S. Enclosed find copy of this morning's Union that may interest you. I have had the greatest compliment of my life paid me politically. Please show this to Mrs. Thum. I know she will enjoy reading it.

E. F.

September 1, 1938

Colonel Ed. Fletcher
1018 Ninth Avenue
San Diego, California

Dear Colonel Fletcher:-

Last week I had a meeting with Mr. Wheeler of the Farmers and Merchants National Bank and Mr. Reed of the Municipal Bond Company, at which time I believe we covered rather fully the situation as it exists regarding A. & I. D. #19. Our discussions centered largely around the proposed plan about which you wrote me for the settlement of the Mattoon District bonds.

I have since had a talk with my clients and ascertained their attitude in the matter, and can advise you that they feel that they should not be placed in the position of advising you regarding nor taking any position with respect to any settlement or adjustment of the matter which you may elect to make. They take this attitude particularly because of the fact that they are unwilling to make any commitment or take any step or express any attitude which will in any manner affect or impair their rights under the existing mortgage which they hold.

My clients have definitely decided that they are not interested in advancing any funds to be used for the payment of either state and county taxes, irrigation district taxes, or respread payments. They understand from your last letters that the settlement referred to above can be accomplished without the need of any new money.

My clients are not prepared to state at this time what their attitude would be in regard to the reduction of the mortgage which they hold on the Fletcher Hills property. However, when you are prepared to discuss a settlement of this matter, involving a substantial amount of cash to my clients, I shall be happy to go into this phase of the matter further with you. Meanwhile, I believe it will be necessary for you to make your own decision as to whether or not you proceed to effect the settlement of the A. & I. D. #19 bonds, and it is my personal judgment that in that respect you will necessarily have to follow your own judgment, as my clients can not take the position of consenting to or objecting to the settlement, so long as anything you do does not impair their mortgage.

Very truly yours,

(Signed) N. P. Moerdyke
OF STICK AND MOERDYKE

NPM:F

October 14, 1938

Mr. N. P. Moerdyke
311 South Spring Street
Los Angeles, California

My dear Mr. Moerdyke:

I was more embarrassed and hurt than you realize in your bringing this suit. To me it is almost unbelievable and I know that none of the Thum brothers would ever have sanctioned it.

You have been entirely misled as to our financial condition. Not alone will you not get quicker results by filing the suit but you have spoiled the only way that I see of making a settlement that is satisfactory to all parties in interest. I have tried to interest over 25 wealthy people in re-financing the Fletcher Hills project and paying you off and failed, including Los Angeles, Long Beach people and even Major Fleet, president of the Consolidated Aircraft. Not one of them has shown interest.

When you told my son that your clients wanted \$100,000 cash and refused our offer, the second one, to deed the property under the mortgage to you, it made it impossible for me to get any money in the East from my cousin. I went East primarily on that account. My cousin, G. Edw. Prouty of Littleton, Mass. is a hard fisted Yankee. You can look him up as to his financial responsibility, if desired. It would have been foolish for me to submit him any definite proposition without a definite proposition from you, and of course, the proposition you submitted of \$100,000 is entirely out of the question.

I wrote you two weeks before I went East and told you what I was going for, submitted you a proposition that I believed Prouty would accept, is paying \$15,000 cash, the balance on principal re our agreement, and of course, I expected to pay a reasonable attorney fee. In addition I would have to get at least \$15,000 from Prouty to pay the taxes so it meant getting as a minimum \$35,000 or \$40,000 from Mr. Prouty. This would clear the title leaving only the Mattoon Act.

Before I went East I had an understanding with Mr. Reed, which I understood from him met with your approval, that we would settle 50 cents on the dollar for the Mattoon Act, and Mr. Reed assured me that the Board of Supervisors would accept this settlement. With the above things.

-2-

accomplished it made it possible for me to get out and sell and give a clear title. Since 1930 it has been physically impossible to sell one portion of that property, any of it or all of it with the Mattoon Act resting on all of the property and under the law each parcel being responsible for the full amount.

Mrs. Thum does not seem to realize this, and you as an attorney should call her attention to it, that even if I want to it was not, as a practical thing, possible to sell any of that property.

In bringing this suit you have done untold damage to my financial standing in this community, and unnecessarily so. It means insolvency or a cloud over my head for life in the form of a deficiency judgment if and when one is secured.

I have been informed that you brought this suit believing that Mrs. Fletcher and I have other resources. Any one who told you that lies. I have given you the straight of it. The banks have treated me splendidly and know my financial condition. Both the Bank of America and the First National Bank reduced my rate of interest from six to four per cent on the \$200,000 or \$300,000 that we owe them and went way back to 1930 and gave me credit for over \$20,000 in interest. They realize that I can sell the property better than they can, property they are holding as security, and they are gradually being paid off. The Vice president of the First National Bank of San Diego, Mr. Walter Whitcomb, in a friendly way said that if I could pay 50 cents on the dollar to the bank on what we owe them he would recommend the bank take a loss, but under these financial conditions, with nobody interested in real estate, everybody looking upon it as a liability I could not get anyone to lend me the money even if I would want to accept the kind offer of the bank.

Mrs. Fletcher and I have nothing but real estate, all of which is encumbered, and the only thing that keeps us going, with money enough to eat on, is the sale of a few lots at Grossmont owned by the Grossmont Park Company, the stock of which company belongs to the Fletcher children. The Grossmont Park Company and the Ed Fletcher Co, the stock of which is also owned by the Fletcher children, are in the same position as Mrs. Fletcher and I. Neither company has \$1,000 available or anything that can be turned into money outside of real estate, and the taxes on the property that the corporations own are delinquent 5 to 7 years on most of it.

Any time you want to come down here personally and investigate those matters for your own satisfaction, you will be welcome, and our entire office force and our books are open as to all ownerships of property, etc. and our bank balances.

I would not feel so badly about this foreclosure proceeding if this was actually an obligation where the actual money had been loaned by the F. & W. Thum Company to me and I had failed to pay it

back. Instead it is a case where the F. & W. Thum Company entered into a business arrangement with me, way back in 1904, I believe it was, whereby I put my time against their money and I was to have one-fourth of the profits, after they got their money and interest back. From memory I was under the impression it was one-half of the profits, and may have told you so and if I did I apologize because I find I made a mistake and it was only one-fourth.

It involved around \$75,000, originally, I believe, for the purchase of 2300 or 2400 acres of land. I sold 600 acres for what the whole thing cost approximately, leaving 1777 acres, I believe, in which I had a one-fourth interest, paid for.

We had an understanding that the F. & W. Thum Company would put up the money for the subdividing, surveying, platting and beautifying of the property ready for sale, but first one thing then another, two of the Thum brothers died and Mr. William Thum instead urged me to buy the property on long time payments, and on March 1st, 1926 he submitted me his offer. In that letter of March 1st, 1926, on Page 2, over Mr. Wm. Thum's signature he places a value on my interest at \$30,189.34, as per the following:

<u>Fletcher's Net Interest in Sale as of 1/1/1926</u>			
1/4 of price		\$40,061.13	
Fletcher's 1/4 of Land Account (deduct)		9,871.79	
\$38687.17 - 4=	\$9,871.79		\$30,189.34
<u>F. & W. TCO. Net Interest in Sale of El Cajon Bluffs</u>			
3/4 of price		\$120,183.37	
Fletcher's 1/4 land acct (add)		9,871.79	
			130,055.16
	Selling price, El Cajon Bluffs		\$160,244.50
	F. & W. Thum Co.'s Interest in El Cajon Bluffs		130,055.16
	Ballantyne Land at 6% basis		21,229.28
	and the Ballantyne land.....		\$151,284.44

In Mr. Thum's letter of March 1st, 1926 that is the cost as of Jan. 1, 1926, and we signed a mortgage for \$146,284.44 reluctantly, alth I thought I was in safe hands. Mr. Wm. Thum agreed to cooperate in every way. I went to him for advice and it was with his approval that we put the Mattoon Act on. The F. & W. Thum Company, being the mortgagee I went to them for approval of everything I did, which was received, as the correspondence will show. Mr. Thum took a personal interest in the matter

and rejoiced in seeing the property subdivided. He signed the papers with Mrs. Fletcher and me in the subdivision of the property. He approved of the Mattoon Act plan of cast iron mains and paved roads and signed the necessary papers. He even volunteered to lend me \$1,000 to plant ten acres of Valencia oranges, which I did, but the depression struck us, I could not keep up the maintenance of the trees had to dig them out and had to pay the \$1,000 personal obligation which I had borrowed from Mr. Thum.

Not alone did I put in nearly 35 years of my time managing that property and paying my own expenses but I spent, as you know, over \$150.00 an acre in subdivision, platting and planting of ornamental trees, paid taxes and spent many thousands of dollars in levelling the property ready for sale. One contract was for over \$10,000. Without figuring my time I guess I have over \$100,000 invested in the property.

In the meantime let me give you a picture of the Thum Company's situation. They have received back every dollar and interest they put into the project. In addition they have been paid on principal and interest approximately \$64,000, nearly \$55,000.00 on principal and over \$29,000 interest. They were assigned a trust deed note of \$27,500 executed by David Mackay Mackay defaulted and the Thum Company accepted a deed to Lots 12 and 13 of Avocado Acres No. 3, which property now is owned by the F. & W. Thum Company. As to whether or not this is a legal credit on our account I do not know.

In other words, I have sincerely tried to the best of my ability to fulfill my obligation to you under the most adverse conditions possible. Instead of humiliating me by bringing this suit you should have cooperated with me in helping to solve the problem and put the property in shape for sale, in this way doing something constructive. I begged of you, as the records show, to advance the money to settle at 10 or 15 cents on the dollar, the county and irrigation district taxes, then working with the Municipal Bond Company we could go to selling immediately. This you refused to do. You did not even answer my letter that I wrote you two weeks ahead of time before going East. I expected that you would give me something definite and constructive to work on, in submitting to Mr. Prouty a plan that would interest him.

I still claim it is the only solution of the problem. I cannot yet feel that this suit was brought with any ill feeling and hope some solution can be found. Under certain conditions I might get my cousin to put up the money for the taxes, and with the approval of the district attorney, and the Board of Supervisors, make the 50 cents on the dollar settlement with the Municipal Bond Company. This would then put me

in a position to go ahead and sell the property and give a clear title, but it is only thru cooperation with you that a thing of this kind can be done and we have to know, and Mr. Prouty must know where he comes off at, when he gets back his money, what profit he makes and what is the final sum to be paid you.

You are familiar with the agreement that was made to accept \$25,000 in full settlement for the obligation. The Thum Company received \$10,000, released Block 36 of Fletcher Hills, and there was only \$15,000 balance. It is true that I did not pay the \$15,000 within the time limit altho I made every effort on earth to raise the money. The fact remains that after the expiration date I was authorized to commence paying 6 per cent interest on the \$15,000 and the matter ran on for some time and I kept up the interest until I was told personally, without notice, that the agreement was off. I offered to continue to pay the interest but it was refused.

I feel it is a matter of equity, if not law, when the agreement was modified to draw interest until paid, that I was at least entitled to a reasonable written notice before cancelling the modified contract of settlement.

I borrowed \$1500 more from Mr. Thum to pay taxes at one time on the F. & W. Thum Co. property and it cost me over \$2400 of my securities to pay that \$1500 obligation. This same condition applies to the \$1,000 that Mr. Thum lent me to plant trees. I have never failed except in the payment of this mortgage, to fulfill every obligation that I have ever made to the Thum Brothers, neither have I ever in any way taken advantage of them no matter what any one says to the contrary.

Mr. Thum in making me the proposition to buy them out on long time payment, in his letter of March 1st, wrote me as follows: I had questioned the advisability of taking on such a big load.

"For the past twenty years we have taken all the risks with this property and they were real risks, much greater than we had supposed. Now that the risks (at the price) are eliminated, except in the remote contingency of supreme earthquakes, I believe your shoulders broad enough now to carry them. If such a disaster come, none of us will worry about money."

"John was here on Sunday and we decided to make other plans to give him experience, so we no longer care to reserve the 100 acres. This is binding when contract is signed.

Yours truly,
WILLIAM THUM"

Well, an earthquake did come in the form of the worst depression the world

has ever known and your suit is an indication that you are taking advantage of that depression to demand your pound of flesh. I do not believe in the last analysis that is what you are intending to do, and if you think you are bringing this suit for the protection of the F. & W. Thum Co., in my opinion, it is the wrong way.

I have a definite plan for the sale of the property as soon as the title is clear and believe I am the one man who can sell it. It was my dream, the only time I have ever allowed the use of my name on a subdivision and I wanted to make it the best thing I ever did in land development. Instead it has so far been my ruination.

I have sent a copy of this letter to Mrs. Thum and will welcome any suggestions from you in the solution of the most perplexing problem of my life.

Yours sincerely,

EF M

COPY

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

October 18
1 9 3 8

Colonel Ed Fletcher
1018 Ninth Avenue
San Diego, California

Dear Colonel Fletcher:-

I have your lengthy letter of October 14, 1938, which enters into a discussion of a variety of matters as to which I have no personal knowledge, and which, consequently, I shall not attempt to answer. I may say, however, that I fail to see the materiality of your version of the transactions preceding your purchase of the property and your giving of the mortgage for the purchase price. In that respect, the information I have from the Thum family does not agree with your views as expressed in your letter. The material facts, as I see them, are that if you had not wanted the property you would not have purchased it, and if you had not purchased it you would not have given the mortgage for the purchase price. Having given the mortgage, you placed yourself under the obligation to protect the interests of the Thum Company as mortgagee, and to pay that company the purchase price you agreed to pay. Inasmuch as the Thum family feel that these obligations have not been performed, in which feeling I honestly concur, I see no basis for criticism either of the Thum family or of myself for the bringing of the foreclosure action, the only remedy available for the protection of their interests.

Paid 10,000
I do have personal knowledge of the facts relative to the suggested settlement of all liens upon the property, and find it necessary to correct your statements on that subject. First, as to your repeated suggestions of a settlement of your mortgage obligation for \$15,000.00, I must remind you that the original proposition was for settlement at \$25,000.00 with a definite time limit within which that amount was to be paid, failing which, the proposition was to be terminated. That time limit expired without payment having been made, all papers relating to the settlement were withdrawn from escrow, and Miss Margaret Thum, many months later, told you in my presence that the proposed settlement had definitely been terminated. In addition to that, I stated to you myself on at least one occasion that my clients had definitely advised me that such a settlement would not be considered. I consequently believe that you had full and ample notice that the proposed settlement had been withdrawn, and that you

Colonel Ed Fletcher
Page 2

October 18, 1938

have no just cause for complaint on that score. Nor do I believe you have any cause for complaint over the fact that the Thum family refused to provide further funds for clearing up taxes and assessments, or over the fact that I did not answer your letter before you went East. My correspondence with you definitely placed the responsibility for clearing the property of taxes and assessments where it belonged, upon yourself, in performance of your obligations as mortgagor. The Thum Company would have been wholly unjustified in advancing further money to you for that purpose. Their mortgage was in default, practically no interest paid over a long period of years, the mortgage security had been whittled down to the vanishing point through no fault of theirs, and you were professing inability to pay anything upon any account. I felt and still feel that any such advancements would have amounted to throwing good money after bad. I further feel that if any reproach is due, it is due yourself, as a proper recognition of your responsibility would, it seems to me, prompt you to raise the necessary funds yourself, instead of asking my clients to risk further funds after their unsatisfactory experience with the mortgage indebtedness. My failure to answer your letter was due to the fact that the letter, in my judgment, attempted to raise again an issue I considered to have been disposed of. In spite of Miss Thum's statement and my own statement to you, your letter again sought a commitment with respect to a \$15,000.00 settlement. I could not have made such a commitment had I been disposed to do so. I felt then, and still feel, that your procedure should have been to confer with my clients and myself, endeavor to arrive at an agreeable settlement figure, if possible, and then undertake to provide funds to complete that settlement. Instead of that, after having been told definitely that the \$15,000.00 figure was impossible, you asked me to state to you that I would recommend that figure so that you could proceed to raise the money on that basis. An answer to that would merely have put me to the trouble to repeat what I had already stated to you. You apparently criticize my failure to give you "something definite and constructive to work on". Allow me to remind you that in my correspondence with you, I several times asked you what you would be able to do by way of clearing the property of taxes and assessments. No satisfactory reply was ever made to that question. Instead, your replies indicated to my mind that you didn't propose to offer anything specific unless your insistence upon a \$15,000.00 settlement was recognized and acquiesced in. I consequently abandoned hope of obtaining anything definite or constructive from you to submit to my clients. They received copies of our correspondence and felt as I did, that nothing affording the possibility of a work-out was forthcoming from you. There consequently seemed to be no point in continued correspondence that apparently got us nowhere.

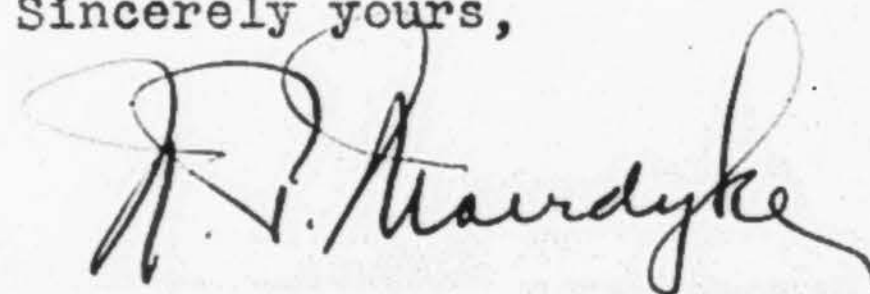
Colonel Ed Fletcher
Page 3

October 18, 1938

With regard to your understanding with Mr. Reed, entered into before you left for the East, I am at a loss to comprehend your statement that you understood from him that the understanding met with my approval. I delivered a letter to Mr. Reed which specifically set forth my position in the matter. My letter was dated September 1, 1938, and in case you have mislaid it, I enclose a copy herewith. You will observe that I neither approved nor disapproved the proposed settlement of the A. & I. D. #19 bond liens, and the accumulated taxes and assessments, but stated specifically that my clients could take no position in the matter that might conceivably prejudice or impair their rights under their mortgage.

I believe if you will review our correspondence fairly you will conclude that neither my clients nor myself can justifiably be criticized for losing patience over what has definitely appeared to us to be a lack of recognition of your obligations to them. Our foreclosure move may turn out to have been strategically wrong, as you assert, but it appears to us to be the only remaining available means of enforcing their rights in the situation, and accordingly we shall proceed unless and until you present some fair and reasonable adjustment of your obligations to them.

Sincerely yours,



OF STICK AND MOERDYKE

NFM:F

October 20, 1938.

Stick & Moerdyke,
Washington Building,
311 So. Spring Street,
Los Angeles, California.

Attention Mr. Moerdyke

My dear Mr. Moerdyke:

Answering yours of the 18th, will say that with all respect to you, the statements that I have made in my letter of the 14th are correct.

Undoubtedly you have made a mistake in your complaint in not eliminating the 5 acres in the Northeast corner of Block 11, the southerly 10 acres of Block 22 and all of Block 36 of Fletcher Hills Unit No. 2, which the F & W Trust Co. has released from the mortgage and it is a matter of record. In order not to put a cloud on the title to these three parcels and put the owners to unnecessary expense your complaint, I should say, should be amended or our attorneys set it up in the defense. Neither have you given us credit for all the payments that we have made in money and property. This it will be necessary for us to set up in our defense.

San Francisco: I began preparing my answer so that I can come back the matter. I can see how I only returned home Friday of last week and the papers were served on us Monday. My attorney is Earl E. Lovett, and he has been so pressed with work it may be necessary for him to have more time to prepare the necessary answer. Will you grant an extension until November 15th? I am on edge of paper case of record one-half of the receipts of my money for Block 11, 22 and 36. This is my whole life and an injury to my credit and standing in this community but it is against your own interest and the interest of your clients. You have included the Irrigation District as a party defendant. It has stirred them up. They have the first right and ownership of the property thru a tax deed and in court can knock us both out by virtue of the six months' statute of limitation if for no other reason.

-5-

cc Bennett - Home - Director of La Brea Arch. Dist
Hittman - W. H. Jennings

the first thing, because of the situation in the oil market, I had made all the arrangements to settle our irrigation district and state and county taxes on the basis of 15 cents on the dollar, without penalties and interest. If I could raise this money somewhere and put the Fletcher Hills property on the market for sale, what amount of money will you agree to compromise on, you getting one-half of the receipts of all money for property sold until you are paid, less a 20 percent commission on sales to take care of advertising and commissions.

If you think we can get anywhere in discussing the matter I can see you in Los Angeles next Tuesday on my return from San Francisco. I prefer Tuesday morning so that I can come back on the three o'clock train next Tuesday afternoon.

Signed - ED. FLETCHER

cc. Leane

October 26, 1938.

Mr. N. P. Moerdyke,
311 So. Spring Street,
Los Angeles, California.

My dear Mr. Moerdyke:

I am enclosing stipulation which I will appreciate your signing and returning at your earliest convenience.

Yours very truly,

ESL M

October 30, 1938.

October 27, 1936

Mr. N.P. Moerdyke,
311 So. Spring Street
Los Angeles, California

Re: F. & W. THUM COMPANY

My dear Mr. Moerdyke:

Confirming telephone conversation yesterday, I appreciate your courtesy in granting our Attorney, Mr. Lovett, extension of time in which to file his answer in the foreclosure suit. He only arrived home a week ago last Friday and the papers were served on us last week Monday. I was called out of town for two or three days on important matters, and need the extended time to prepare the answer.

As per our telephone understanding, I will telephone you Monday or Tuesday of next week and make arrangements for a conference with you later in the week.

I have had my Secretary look up the correspondence. One interesting letter I found dated February 6, 1906 from the F. & W. Thum Company - copy of which is enclosed. The original will be shown you at any time. It verifies everything I have said in the past - that the F. & W. Thum Company went into this deal more for pleasure and to see the property developed than anything else. At no time did they have any idea of making me stand any loss - they went into the proposition promising to put up the money for its development - I was putting my time against their money and was to have a quarter of the profits if the deal went through successfully. Conditions changed in that the two brothers died, Mr. William Thum changed his mind and did not want the Company to put up the money for the improvements; I released him from that obligation, the Company got their money back and interest and \$50,000 or \$60,000 besides.

From your attitude and action, if the Court confirms it, you would foreclose and freeze me out as well as make me lose my own investment which I estimate at \$100,000, and then you would go after me for a deficiency judgment besides and \$7500 Attorney fees - forcing me through insolvency and ruining my credit and which has taken me a lifetime to build up.

The F. & W. Thum Company recognized the value of my interest in this property as per their letter of March 1, 1926, showing at that time that I had an interest to the extent of \$30,189.34.

-2-

Mr. N.P. Moerdyke:
October 27, 1936

I feel that we made a legal settlement of \$25,000, we have paid \$10,000 and only owe \$15,000 and interest. Certainly it was a settlement in equity at any rate.

I hope that at the conference we can have Mrs. Thum and the son, Mr. William Thum as well. I understand the daughter is in Europe, but all those who are interested, including Mrs. John Thum, I will be glad to have at our conference - hoping that some way can be found that is fair to all parties and interests.

Sincerely yours,

EF/jv
Encl.

cc-Mrs. Wm. Thum - *John Bennett H. H. H. H.*
P. Mas'rs. Bennett discovered a letter dated June 15th, 1907 signed by F. & W. Thum Company, in the handwriting of Mr. William Thum reading as follows:

"We (our company, not you) do not expect to make any other profit than to gain the pleasure of doing something pleasant. This is the reason we put into the Thum-Fletcher contract that you shall not have any interest in the public utilities. We expect to have to expend all our part of the profit on these utilities, and of course, we do not expect any profit out of them; you would be awfully disappointed and dissatisfied if you were interested with us in this branch of the enterprise. Presume you have been thinking that we wanted the water, electricity, gas, &c all to ourselves so that we could have all the profits, while the probable truth is that your fourth of the profit will depend altogether on the extra work we may do with our share of the profit."

This is added evidence of the intention, yet today the F. & W. Thum Co. have got back interest and \$64,000 profit while I have put 32 years of service into the enterprise and roughly an investment of \$100,000 of my own money - yet you would take that away from me and go after a deficiency judgment as well. Such is life.

E.F.

JOHN C. STICK

N. P. MOERDYKE

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

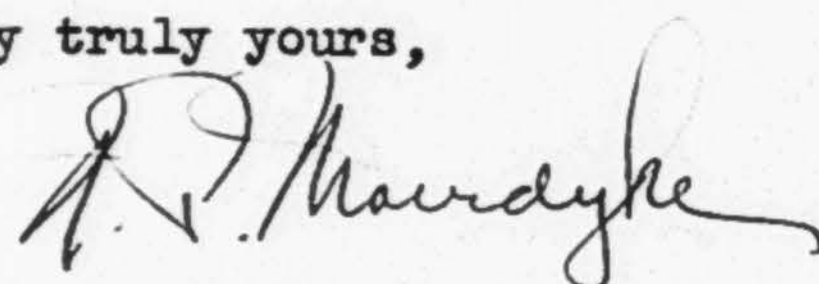
October 29
1938

Mr. Earle Lovett
Attorney at Law
1020 Ninth Avenue
San Diego, California

Dear Mr. Lovett:-

Receipt is acknowledged of yours of
October 26, and stipulation enclosed. We
have signed the original of the stipulation
and are returning the same herewith.

Very truly yours,



OF STICK AND MOERDYKE

NPM:F

Enc.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN DIEGO

No. 93967

F. & W. THUM COMPANY, a
corporation

Plaintiff

vs.

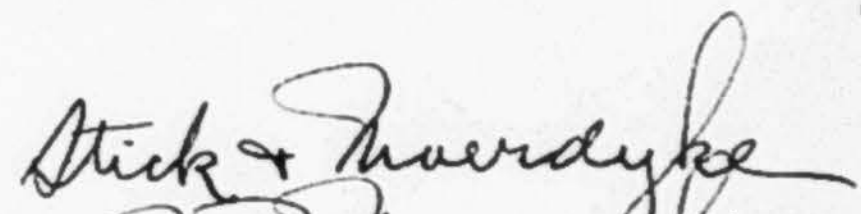
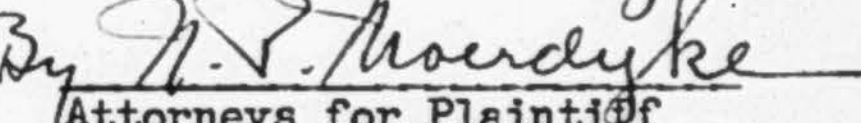
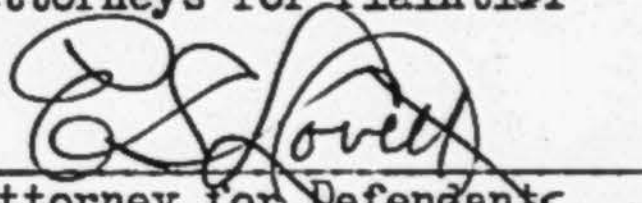
ED FLETCHER, et al

Defendants

STIPULATION

It is hereby stipulated and agreed by the attorneys for the
Plaintiff and the Defendants, Ed Fletcher and Mary C. B. Fletcher,
husband and wife, and Ed Fletcher Co., a corporation, that said Defendants
may have up to and including the 15th day of November, 1938 within which
to file their answer in the above entitled action.

Dated: October 26, 1938.


By 
Attorneys for Plaintiff

Attorney for Defendants

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

November 1
1 9 3 8

Mr. Ed Fletcher
1018-1020 Ninth Avenue
San Diego, California

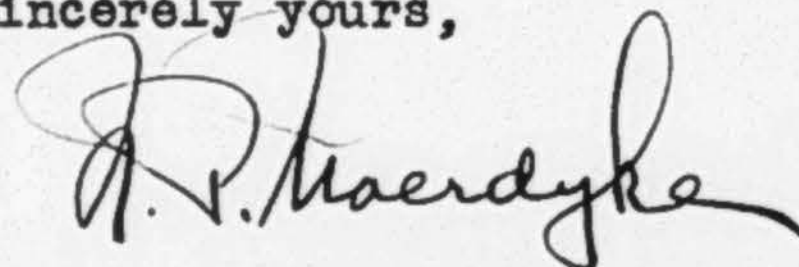
Dear Col. Fletcher:-

Circumstances have prevented an earlier reply to your letters of October 20 and October 27, 1938. With regard to the references in these letters to transactions occurring prior to the giving of the mortgage, I believe I have already taken the position that such matters are now irrelevant by reason of the transaction in which you purchased the property and gave the mortgage on account of the purchase price. I believe I have also stated my clients' position with regard to the claimed settlement. Consequently I see no point in reiterating our attitude regarding these matters.

As to any suggestions of a compromise, or any discussions on that subject, I think they should await a conference. I am waiting for word from you as to when this should take place, and will suggest to Mrs. Thum and Mr. William C. Thum that they be present at any agreed time.

We have forwarded to Mr. Lovett our written stipulation extending your time to answer to November 15, 1938.

Sincerely yours,



OF STICK AND MOERDYKE

NPM:F

November 5, 1938

Mr. N.P. Moerdyke
311 So. Spring Street
Los Angeles, California

Re:- F.&W. THUM COMPANY

My dear Mr. Moerdyke:

Enclosed find copy of letter I have written Mrs. Thum and copy of letter to Mr. William Thum for your information.

Sincerely yours,

EF/jv
Encl.

November 5, 1938

Mr. H.P. Moerdyke
311 So. Spring Street
Los Angeles, California

Re: F. & W. THUM COMPANY

My dear Mr. Moerdyke:

Confirming our conversation after Mrs. Thum left Thursday, I certainly want to continue the negotiations hoping that we can find a solution that is fair to all. My suggestion is this:

That in some way from some party I will undertake to borrow the money, or make some arrangements whereby we can commence to sell the property and furnish a clear title. Any money that I have to borrow not to exceed \$15,000 will be repaid from the first sales, after that, all monies will come to you less a 20% commission for a campaign of advertising and sale of the property; all expense of any description to be included in the 20%. I have a plan of campaign that I believe will work and the property sell. I have been able to do this six times in towns and subdivisions that I put on the market, and it is only the terrible depression and the land involved in the Mattoon Act that has prohibited us from selling the Fletcher Hills property, as you well know.

Based on today's value, there is sufficient property there, if we can sell it, to much more than repay the Thums in full. I am not, and have never tried to dodge the issue - it is a condition not a theory.

If you care to make a deal along these lines, leaving the ultimate amount coming to you to be determined by yourself under a new arrangement mutually satisfactory, we will be working together instead of sword point, and this is a solution of the problem that I am sure in the long run will react to the benefit of your client.

With kind regards,

Sincerely yours,

EF/jv

cc-Mrs. Wm. Thum
Mr. Wm. Thum
Jas. S. Bennett

November 15, 1938.

Stick & Moerdyke,
311 South Spring Street,
Washington Bldg.,
Los Angeles, California.

Gentlemen:

I am enclosing copy of answer in Case No.
93967, F. & W. Thum Company v. Fletcher, the original of
which I filed today.

Yours very truly,

ESL M

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

December 2
1 9 3 8

Mr. Ed Fletcher
1018-1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:-

I have intentionally delayed a reply to yours of November 5, 1938, until I could discuss the matter with my clients, and until I could examine your answer filed in the foreclosure action and certain documentary evidence which was not immediately available. These steps having been completed I find it necessary to advise you that your suggestion as to the means of settlement of taxes, assessments and bonds on the property covered by the Thum mortgage, is wholly unsatisfactory. The suggestion made amounts precisely to the suggestion you made orally at our last discussion, and as I told you at that time, it amounts to asking the Thum Company to subordinate its mortgage lien to a lien in favor of a possible lender of the required \$15,000.00, and to repayment of the \$15,000.00 out of the mortgage security the Thum Company now holds. Carrying the analysis still further, it amounts to your asking the Thum Company to pay the \$15,000.00 instead of paying it yourself in performance of your mortgage obligation to do so. These things the Thum Company will not do, and your suggestion is consequently not acceptable to it.

You have added to your letter in your handwriting the words "Have you any suggestion". As a matter of principle I am in favor of any reasonable adjustment of any situation, as being vastly preferable to litigation. In this instance, to be perfectly frank, I hesitate even to discuss any adjustment. My reason for this statement is that it appears to me and to my clients, on the basis of the defenses you attempt to set up in your answer in the foreclosure action, that any negotiations or suggestions of any compromise or adjustment of any matter having to do with the mortgage are very apt to be misinterpreted and misconstrued. We therefore have no further suggestion to make, beyond the suggestion that you perform the obligations definitely assumed by your giving the mortgage to the Thum Company on account of the purchase price of the land involved. Payment of the amounts necessary to clear the property of the various tax liens should be made by yourself and not at the expense of the Thum Company. If that is done, there may be some possibility of a compromise of your mortgage indebtedness. Please note the exact manner in which I make this last statement. As

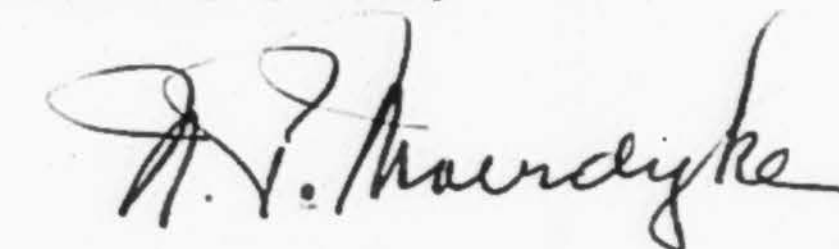
Mr. Ed Fletcher
Page 2.

December 2, 1938

matters stand today, in the absence of any provision on your part for payment of tax liens, with your effort to induce the Thum Company to provide the means for such payment, and with your attempt to avoid your mortgage obligation by the purported defenses set up in your answer, there definitely is no such possibility. Furthermore, any suggestions as to any adjustment must come from you, and must be reasonable in order to receive any consideration from my clients.

Both Mrs. Thum and Mr. William Thum have referred to me your letters to them dated November 4 and November 5, 1938, and you may consider this letter as a reply thereto. Both of them have asked me to request you to address to me any further communications on the subject.

Sincerely yours,



OF STICK AND MOERDYKE

NPM:F

December 2, 1938

Mr. N. P. Moerdyke
c/o Stick & Moerdyke
311 So. Spring Street
Los Angeles, California.

My dear Mr. Moerdyke:

Answering yours of December 2d, will say that without regard to equity you have demanded on every technicality possible the full collection of the entire amount, not taking into consideration the fact that the F. & W. Thum Company has its money back and interest and a handsome profit, while I am out \$100,000 or more in a deal in which I was not to bear any part of the loss, and you are demanding your pound of flesh.

We do not get anywhere, however, this day, and what I have in mind is this, to try and borrow from my cousin sufficient money to settle the irrigation district and the state and county taxes and make a new note for an amount to be agreed upon to come to you as and when the property is sold, from the first sales, after deducting a 25 percent selling expense. Will you consider something along these lines? I have a plan of selling that property which I believe will work, and believe I can sell it as well or better than anyone, but I must have time to work it out.

Yours sincerely,

(signed) ED FLETCHER

EF M

P. S. I again call your attention to the fact that it is a waste of money to have brought this suit, to say nothing of the injustice and publicity that you have given me. Once again I ask you to write to Mr. Walter Whitcomb, vice-president of the First National Bank of San Diego, C. L. Cotant, vice-president of the Bank of America of San Diego, and A. J. Sutherland, vice-president of the Security Trust & Savings Bank of San Diego. Mrs. Fletcher and I owe these banks roughly \$250,000, with all our remaining property up as security to them and Los Angeles banks, to whom we also owe thousands of dollars. Anyone of these gentlemen will tell you that you cannot get blood out of a turnip and that it is only thru cooperation instead of litigation that we can get anywhere, or that you will get any money out of it. This is not a threat but is a fact. The banks know it and as I have offered before if you will come down here you can check up and see that we have no hidden assets and it is only thru working together on Fletcher Hills that we can ever work out anything.

E.F.

cc Mrs. Wm Thum
cc Mr. " "

February 3, 1939

Re Thum

Mr. N. P. Moerdyke
Stick & Moerdyke
311 South Spring Street
Los Angeles, California

Dear Mr. Moerdyke:

You may remember me as the man who discussed with you the matter of a settlement of Acquisition and Improvement District No. 19 of San Diego County a few months ago, and I trust that you will understand that in writing this letter to you I am not trying to inject myself into the business of the property owners or bondholders of the district, but am merely trying to make a last effort to get the parties together and work out some kind of a settlement.

During the past year several different settlements have been proposed, one which involved an agreement with the bondholders whereby they would surrender their bonds to the County at 15¢ on the dollar with an additional consideration of a portion of the land being allocated to them.

The second proposition, as I recall, was a proposal involving some additional respread on the property, which I understand was agreeable to the Fletcher interests and also to your clients, and at first which looked rather feasible to this office. However, upon studying the proposal I came to the conclusion that the settlement would not be acceptable to the County.

We are gradually closing up our Mattoon Act settlement activities and there now remains very little to be done except to deal with a very few districts such as Fletcher Hills, which is unimproved, and it is becoming a serious question whether or not the expense of maintaining a settlement office and continuing our settlement activities is any longer justified. In other words, I am probably going to be called upon to report to the Board of Supervisors within a very short time as to whether or not we should abandon our efforts to clear up any more of these unimproved areas, and naturally, I would like to settle as many of the few remaining as is possible before we cease our operations.

February 3, 1939

There is also considerable agitation at this time among some of the larger tax payers to induce the Board of Supervisors to put up at public auction many of the thousands of parcels of tax delinquent land that we have in this County, and the Board is being urged to undertake a program in that direction.

Of course, the only interested purchasers in such tax sale in the case of Fletcher Hills would be the bondholders themselves, and while I can't say whether the Board would permit this property to be sold to the bondholders or not, it is a situation which I would much rather avoid.

I am writing this letter, therefore, and a similar letter to the bondholders and to Colonel Fletcher, in a sort of a last effort to try to clear up this apparently hopeless mess.

It has always appeared to me that in view of the peculiar circumstances existing in the Fletcher Hills Tract, that the simplest and most workable type of settlement would involve some sort of a division of the land, and quite naturally, your clients would seek to obtain their fair share of the property, and obviously, my office is not in any wise interested in what type of division of the property is effected, but to conclude with a plain blunt question, Mr. Moerdyke, don't you think that it is possible for the parties to get together on some basis that will be agreeable?

I will be glad to help in any way that I can as an intermediary or otherwise, and I believe that with a little negotiation in that direction, the thing can be solved and cleaned up.

Yours very truly,

(Signed) *James B. Abbe*
District Attorney

JBA:NM

JOHN C. STICK

N. P. MOERDYKE

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

February 4

1939

Mr. Ed Fletcher
1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:

I am replying to you instead of Mr. Lovett, and hope that you will communicate the facts herein to him.

I have arranged to start your deposition at your office at 1020 Ninth Avenue, San Diego, at 10:00 o'clock on February 15th, and will have a reporter there. Can you furnish the notary, and if you will give me the name of the notary who can swear you in, I will draw the stipulation for the deposition.

Very respectfully yours,

John C. Stick
OF STICK AND MOERDYKE

JCS:F

February 11, 1939

Mr. John C. Stick
Stick and Moerdyke
311 So. Spring Street
Los Angeles, California

Re: Thum

My dear Mr. Stick:

Answering yours of the 4th: Ten o'clock is
O.K.

We will have a notary. Her name is Katherine L.
May.

Very sincerely yours,

February 23, 1939

Mr. John C. Stick,
Washington Building
311 South Spring
Los Angeles, California.

My dear Mr. Stick:

You asked me to send up copies of any
more letters I have on the subject. We have run across the
enclosed, and as we find more will send them up.

I am enclosing copies of letters dated
Feb. 3, 1906, and June 15, 1907, all from F. & W. Thum Co.
and written by William Thum.

The lawyers may disagree on technicalities but
I am sure we can all agree that there are certain equities when
you analyze the whole thing.

I am leaving for Sacramento for the next
session of the legislature, passing thru Los Angeles Tuesday
afternoon, February 23th. If you care to have me drop in for
any discussion, or if I can be of any service, will be glad to
be in your office at 2:00 p. m. next Tuesday.

Yours sincerely,

EF H M

*cc Mrs Wm Thum
Mr. Wm Thum*

March 7, 1939

Mr. John C. Stick,
Stick & Moerdyke
311 So. Spring Street, L
Los Angeles, California.

My dear Mr. Stick:

Mr. Lovett asked me to tell you of
the corrections made in Mr. Fletcher's deposition before he
filed same.

Page 12: Line 5 - The words "but some of it has been redeemed"
were eliminated.
Lines 6, 7, 8, and 9 were eliminated.

The reason for eliminating the above is that none of the
property has been redeemed, in fact Block 36 of Fletcher Hills No. 2
was never in the district.

Line 11 - Eliminated

Page 14: Line 16-- "As I said before" was eliminated and the answer
now reads: "Block 36 has never been in the District".

Page 19: Line 3-- "loss" changed to "Morse".

Page 27: Line 9 "The fellows" changed to "Thum Brothers".

Page 26: The name of the writer of this letter added "James S. Bennett"

Yours very truly,

KLM

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE
COUNTY OF SAN DIEGO

F. & W. THUM COMPANY)
Plaintiff O

vs)

ED FLETCHER and MARY)
B. D. FLETCHER)
husband and wife, et al)

No. 93967

Deposition of Ed Fletcher, a defendant herein, a witness produced pursuant
to the attached stipulation, on behalf of the plaintiff in the above entitled action now
pending in said court, before E. D. Lovett, Esq., a Notary Public in and for the County
of San Diego, State of California, at No. 1020 Ninth Avenue, San Diego, California on
Wednesday, February 15, 1939, commencing at the hour of 10 o'clock a. m.

APPEARANCES:

Stick & Moerdyke by John C. Stic,, Esq
For the Plaintiff

E. S. Lovett, Esq.,
Harrison G. Sloane, Esq., and Ferdinand Thum Fletcher, Esq.
For the Defendants.

Page 3. Q On Page 3 again, line 11, it says: Feb. 26, 1931, David Mackay Deed of Trust
note assigned to plaintiff \$27500.00." What was that transaction?

A, We had a deed of trust from David Mackay and we had no money to pay
either interest or principal, so we had them come down and look it over, as I remember
it, the property and the trust deed, and they took an assignment of this trust deed note.

Q Do you have any record in any way of the purpose of that transfer, whether
it was an outright payment on account of the mortgage or whether it was given for
some other purpose?

A It was in connection with the mortgage. As I remember the correspondence
it was to be applied on the mortgage or trust deed, but I would have to look up the
correspondence to refresh my mind. It is 10 or 15 years ago, you know.

Q Do you recall whether it was an out and out assignment of the value of
that, or was it an assignment for the purpose of collecting and crediting the amount
recovered on it.

A I would have to look up my records to find out.

Q ----- Would you have your bookkeeper make a record of that and see if she
can find any correspondence on that and send it to me?

A She will attend to it right off and write you.

Page 8

Q You speak of paying \$10,000 on account of this offer you have referred to,
to settle or compromise the note and mortgage for \$25,000, which I presume is the
same \$10,000 referred to on page 3, line 16 of your answer. That was paid in cash?

A Yes

Q To Whom?

A F. & W. Thum Company, as I recollect it. We will have the papers.

Q Was this \$25,000 to be paid in full satisfaction of the note and mortgage?

A Yes

Q And was the property then to remain yours?

A Yes. I was to have most of the profits that might be, any remaining profits that I might make on the thing.

Q But the title to all of the unsold property that is covered in that mortgage was to remain in you?

A Yes; or the Ed Fletcher Company.

Q Or the Ed Fletcher Company.

A I think we transferred, Mrs. Fletcher and I, the interest to the Ed Fletcher Company.

Q In line 7, page 2, you say: "That the time for payment of the balance of \$15,000.00 was by mutual agreement between the parties extended to December 1, 1937". Was that an oral or a written extension?

A An oral agreement with Mr. Bennett and, I think there was some correspondence in connection with it possibly from the Thum Company.

Q Where was that oral agreement made?

A In Mr. Bennett's office

Q In Los Angeles?

A And, as I recollect it, by telephone also, with either Mrs. Thum or the daughter. I do not remember exactly as to that.

Q By what means do you fix the date of that as December 1, 1937.

A My recollection is that Mr. Bennett first said that they would extend the time three months if I would pay 6 percent interest and continue my activities to settle the Mattoon Act and the state and county and the irrigation district taxes, and bring about a settlement in relation thereto. There we were trying to clear up the mess, and then Mr. Bennett extended the time and I think the F. & W. Thum Company also. and to go ahead and pay 6% interest. And I think there is a letter from Mrs. Thum, around December or January, saying that I hadn't paid within \$25. of the amount that I should and I sent her \$25 more. I sent her \$200 and then \$25 and they told us to go ahead and continue with my work and pay the interest.

Q Do you know the amount of the liens under the Mattoon Act on the premises that are described in the complaint?

A Roughly, \$516,000 as the original amount.

Q Yes. Would that be greater or lesser as of today?

A Very much greater, but we have been able to make a compromise. First they wanted 50 cents on the dollar; then we got them to 30 for cash, the Municipal Bond Company; then they made the offer accepting 15 cents from the county and re-spreading the other 15 cents; and when that fell through owing to the attitude of the district attorney, then we had a plan to divide up the property with the Municipal Bond Company, tentatively arranged, each, so that we would save something out of the wreck, a very fair division, and that blew up.

Q Do you remember offhand in round numbers the amount of the liens from the irrigation district assessments?

A Repeating from memory, it was \$78,000 and we worked with them and got them to agree to take 15 cents on the dollar to settle the irrigation district taxes, delinquent taxes; and, as has been done many times in other like conditions, the district was in a position to go to the board of supervisors, and I understand they also agreed to settle the state and county taxes 15 cents on the dollar waiving penalties and interest.

Q Can you give us in round numbers the amount of the state and county taxes?

A Oh, my recollection is, it is around \$30,000 or \$40,000 but I would want to verify it. If you need the exact amount I can give it to you.

Q No. Mr. Fletcher, as I understand it, some of the land that was included in the original mortgage has been foreclosed upon by the irrigation districts or the Mattoon districts?

A No, no. None to my knowledge. The irrigation district has taken the deed.

Q Under what proceedings have they taken a deed?

A Under the state law --- for the delinque taxes -- unpaid.

Q Do you know which portions of the land described in the mortgage were so taken? --- By the irrigation districts by deed.

A My recollection is that all Fletcher Hills property went delinquent for taxes and the district took a deed to it ~~but some of it has been redeemed. They took a deed to it but some of it has been redeemed, such as Block 36 of Fletcher Hills. After they had taken a deed to it and it was released from the Thum mortgage, the district accepted the money for delinquent taxes and the title is now clear.~~

Q That is on Block 36?

A Yes; and I think some other lots, too.

Q Do you recall what the other lots are in which that same transaction took place or one similar to it?

A I think I can answer that. No; I do not think that any of the other lots the taxes have been paid on be ause it is involved with A and I district No. 19, and you can't under the law, pay the state and county taxes without paying Mattoon Act taxes.

Page 13

Q The delinquency of taxes, I take it, go back to 1929-30, is that correct?

A No, I think it is 30-31. But off the record, discussion between the witness and bookkeeper) I will answer that you are probably correct

Q The lands that were sold to La Mesa - District for delinquent assessments for the years 1930 to 1934, have any of those been redeemed? being a portion of Block 11, all of Blocks 12 and 13?

A If you are ferring to the lands which the irrigation district took a tax deed to, we will say that I do not know of any of them being redeemed. We have never sold any of these lands to the La Mesa District.

Q No. It would be under tax deeds or assessments deeds?

A They would take them automatically under a tax deed, but they are settling them and compromising them and getting them back on the tax rolls, and giving first preference to the land owners, the equity land owners. That is the attitude of the La Mesa District.

Q Yes. But, so far as you know, none of those sales had been redeemed by any redemption proceedings or any payments or anything upon your part?

A ~~As I said before, Block 36 has been cleared up and a portion of all of Block 20~~ ^{new in the district}

Page 16

Q In Line 6 you say: "That more than 30 years ago the plaintiff thru its officers entered into an agreement with the defendant, ed Fletcher,". Was the plaintiff company, the F. & W. Thum Company, a corporation, in existence thirty years ago, do you know?

A Yes

Q And who were these officers that you referred to?

A Wm. Thum and Ferdinand Thum.

Q Was that agreement in writing?

A Yes

Q Do you still have copies of that agreement or originals of it?

A I think so. Then we have many letters on that subject, too.

Lovett: Colonel, we have not been able to find the copy of the agreement. I went down and asked Fred Stearns' office about that.

Q But you do not have these papers in your possession today?

A Not today. We may have them here and can't find them. You understand, we are talking of 30 and 35 years ago. ---And we are going thru the records now. But there are plenty of letters on the subject, and I have sent you a copy of Mr. William Thum's letter to me, showing what my interest was.

A The books of our company, my books and the books of the F & W Thum Company will show every item that corroborates my statement that we had this agreement. I never was paid a nickel for thirty years' services. I gave it free, kept the books, made all the leases, paid all of my own expenses, and have many statements from the F & W Thum Company from time to time to corroborate the statement, if we can't

find the original contract; and I have also the letter from the F. & W. Thum Company after we had sold enough property to get them back their money and interest -- I have a statement from William Thum showing what our fourth interest, or my fourth interest was worth, everything. You turn to the F. & W Thum Company books and you will see the whole thing.

Q All right. Do you have that last letter that you are talking about here.

A As soon as she comes in I will see. I want to say further, that the F. & W. Thum Company books will show, in line with our agreement, subject to the F & W Thum Company's approval, we built the roads and I gave my personal services in connection with that. Having been on the State Highway Commission and president of the Morse Construction Company, I have had 25 years in subdivision road construction. We put in a water system, approved by the F & W Thum Company in every detail, and they put up the money; and it was all under an agreement to go ahead and sub-divide and sell the property, the F & W Thum Company putting up the money and I putting up my time against it and getting one-fourth of the profits. But first one Thum died and it delayed matters, then another Thum died, and the time came when Mr. William Thum did not want to go ahead anymore, wanted to find some solution to the problem. He was interested and cooperated with me to the end.

Q You state on line 19 of page 4 that, "After some years, for convenience in carrying out said original agreement, it was mutually agreed to put the title to said property in the defendant, Ed Fletcher, and that a mortgage should be given back to plaintiff by the defendants Ed Fletcher and Mary C. B. Fletcher, his wife, for the amount of the agreed value of plaintiff's interest in said land." You say that that agreement was mutually agreed. Was that agreement in writing, other than as represented by the note and mortgage and the deed?

A Yes; there was correspondence in connection with it, as I remember.

Q Have you that correspondence - Could you produce that?

A I will send you copies. Do you want to red this letter into the record, the original record?

Q You have handed me a document dated 3/1/26 etc

A Yes. That is part of the documents. We have many statements like this before this, one in 1924, when he wanted me to buy his interest or make some kind of a deal whereby we could agree on what his equity was worth and make some arrangements to have me carry on because he did not feel that he could do it, always keeping in mind that at no time was I to stand any losses in connection with this transaction.

Questions and answers as to mortgage that was signed etc.

Q Will you again make the statement of what this document of March 1, 1926 is?

A The document of March 1, 1926 is an original letter from William Thum to me, outlining my interest in the agreement with the Thum Company, outlining what he considered the value of his interest in the proposition, and I believe that the mortgage was issued based practically on the figures. I would like to say this: However, that this mortgage that we signed was more to facilitate the handling of this enterprise in keeping the accounts, relieving the Thums from the obligation to finance the balance of the necessary cost of improvements -- many thousands of dollars. It was up to me to put the property on the market, and it made no change in our original agreement that Thum would look to the land alone for the payment of the note. That is the way I understood it all the time, and there never was a

time when Thum ever stated or inferred, even, that I would have to stand any losses if losses came. At least -- I will put it this way -- at least, as far as a deficiency judgment was concerned. If I did not make it out of the property why, no thought ever in his mind or mine that we would ever be called on to get into the situation we are today and be threatened with a deficiency judgment that Mr. Moerdyke has threatened me with. I just wanted to make that statement so that you could see what my position was and my understanding.

Page 26

Q Were these Mattoon Act improvements put upon this land before or after April 22, 1926?

A After, with the approval of the F. & W. Thum Company. They continued to cooperate in every way. They approved the sub-division plans of the property. Mr. Thum even came down and told me I ought to start an orange orchard and let us have the money and start the improvements there. He cooperated with us in every way. I went over the whole matter with him on the Mattoon plan. Thum Brothers were originally going to put up the money for these improvements as I have explained before. They agreed to the Mattoon Act as a plan of putting in the paved roads and things of that kind.

Page 32

Q For the purpose of the record you have just shown me 11 letters received by you from either Mr. Bennett, one of the attorneys for the Thums, or from the Thums, and carbon copy of a letter from yourself to the Thums, running between October 21, 1935 and May 13, 1938, which 12 documents you are having copies and are going to deliver copies to us.

Letter from James S. Bennett to Fletcher dated Oct. 21, 1936
Letter from F & W Thum Company by John A. Thum to Fletcher, dated Sept. 4, 1936
Letter from F & W Thum Company by John A. Thum to Fletcher, dated Dec. 28, 1936
Letter from James S. Bennett to Fletcher, dated August 24, 1937
Letter from F & W Thum Company, by Margaret Thum, dated December 6, 1937 - to Fletcher
Letter from F & W Thum Co. by Margaret Thum to Fletcher, dated Dec. 20, 1937
Letter from F & W Thum Company to Fletcher (Margaret Thum) dated Feb. 3, 1938
True copy of authorization to release lands
Letter F & W Thum Company by Margaret Thum to Fletcher dated Feb. 8, 1938
Letter from F & W Thum Company by Margaret Thum to Ed Fletcher, Feb. 26, 1938
Letter from F & W Thum Company by Margaret Thum to Fletcher dated March 19, 1938
Letter from Ed Fletcher to F & W Thum Co. attention Margaret Thum dated 4/27/38
Letter F & W Thum Company by Margaret Thum to Fletcher, May 13, 1938

Page 47

Q Have any of these proposed compromises that you discussed in your deposition this morning with the irrigation district, or under the Mattoon Act, been accepted and paid by you?

A No. I will qualify that by saying that they are still open.

Q Yes. But none of them have actually been redeemed by you on the basis of such compromise?

A A No; on account of this Thum litigation and some small errors or matters with the district attorney that I think can be ironed out if and when. I should further say that if I had the money to pay the irrigation district and the county, I could settle today on fifteen cents on the dollar, and perhaps less, without penalties or interest.

Q If, Mr. Fletcher, you should discover any additional correspondence with reference to this agreement for compromise on the basis of \$25,000, other than the instruments you have now shown me and of which you are giving me copies, will you forward copies of those to me?

A I will be pleased to.

CROSS EXAMINATION

Q By Mr. Lovett: Colonel, every time you made a cash payment upon these notes or this indebtedness did you receive a release of some of the property which was security for the payment of them?

A With the exception of interest, my recollection is that we always received a release of property; and, as you know, we have released a large amount of property.

Q And you have offered in the past, and are you still willing to deed to the defendant the property now remaining under mortgage?

A Will be happy to.

Q In settlement of this obligation?

A Yes; if they will give me back my note and give me it back and not try to take a deficiency judgment. We have sent them a deed once, I believe, and they returned it, or we wrote them a letter agreeing to give them a deed, but it is a peculiar property and I do not think that anyone is better able to develop than I am; and I always was in hopes that the F & W Thum Company would cooperate with me to the end that we may get everything cleared and let me subdivide it and sell it.

Q Since 1929 have you been financially able at any time to have paid off this mortgage?

A I have never been. I have not had any amount of money. It has been utterly impossible. I went everywhere, even east, to get funds and I was about to get the necessary funds from my cousin G. Edw. Prouty, when I got a telegram in the east that the F & W Thum Company would not go ahead any further, or rather, that they had filed suit. It was most pathetic because it was just two or three days before my meeting with Mr. Prouty.

ED FLETCHER

April 5, 1939

Stick & Moerdyke
311 So. Spring Street
Los Angeles, California

Re:-F.&W.THUM COMPANY

Gentlemen:

Enclosed find copy of letter to Mr. Harold Reed
of the Municipal Bond Company that is explanatory and in
answer to his letter of March 31st.

Sincerely yours,

EF/jv
Incl.

COPY

June 20, 1939

Mr. John C. Stick,
c/o Stick and Moerdyke,
914 Washington Building,
Los Angeles, California.

Re: Thum vs. Fletcher

Dear Mr. Stick:

The above entitled matter came on regularly
for setting at the calendar call yesterday in Department
Three of the Superior Court, the Honorable Judge Mundo
presiding. At that time I appeared on behalf of the de-
fendant and represented to the Court that due to the
fact that the legislature was still in session much
longer than it had been originally anticipated, and fur-
ther due to the many matters which had piled up on my
father's calendar due to the extended session, that we
would not be ready to go to trial on July 10th. I re-
quested the Court to put the above entitled matter over until
the second July call, namely, July 17th, for setting, the
case to be set at that time for some date during the August
trial calendar, and the Court made its order putting the
matter over for setting until that time.

I regret that I did not have the opportunity
first to contact you so that you might make an appearance
and contest my application if you so desired but I did not
know the circumstances necessitating my request until too
late to notify you.

Before taking this action I inquired of Mr.
Lovett whether or not there was an oral stipulation between
you and him in this matter and he stated to me that there
was not although the presiding judge had circled the 10th
of July at your request.

At the setting on July 17th, the Court will
probably be setting cases from the 1st to the 15th of August.
If you wish to indicate any particular day in which you would
like the matter to be heard between these dates I will
endeavor to get the case set on that date if you will so
inform me. If due to the summer vacation of the judges and

the reduction in number of trial departments occasioned thereby, the Court is setting the cases farther ahead I will notify you as soon as that information comes to my attention so that the matter may be circled for a date convenient to the parties.

Very truly yours,
HIGGS and FLETCHER,

By

FTF:M

June 21, 1939

Mr. John C. Stick,
914 Washington Bldg.,
Los Angeles, California.

My dear Mr. Stick:

In reference to the Thum-Fletcher case, I want to tell you that it was not set last Monday for the 10th of July, the reason for it being that the legislature had not adjourned and its time of adjournment is so uncertain, and the Colonel cannot come home directly from the legislature when it does adjourn.

It is going to require some little time in final preparation of this case, and he is going to be so busy with matters that have accumulated during his attendance at the legislature that he cannot give his whole time to this matter, and it is going to take a little while to do it.

The reason, as I understood it, that it be tentatively set for the 10th of July was on the assumption that the legislature would adjourn by the 20th of June.

The judge carried it over two calls which means the second call in July for setting.

Yours sincerely,

ESL M

July 3, 1939

Mr. N. P. Moerdyke,
Washington Building
311 So. Spring Street
Los Angeles, California.

My dear Mr. Moerdyke:

I was glad we had the conference Wednesday. It gave each of us a better understanding of the real situation.

On my return I find that the original contract with the F. & W. Thum Company has been located. I am enclosing copy of same, which is in my possession. It bears out every statement that I have ever made. My one mistake, and I am sure Mr. William Thum unintentionally left it out in the mortgage which Mrs. Fletcher and I signed, is that there would be no deficiency judgment in case I made a loss on this development. Under our agreement the Thum Brothers were to do all of the financing of the improvements of the property, but the death of first one then the other brother delayed and stopped things, and I was kind enough not to press the issue, and relieved them of putting up the money for the improvements, so later on they gave their consent to the property being put in the Mattoon Act for the improvements, and you know the rest.

I am sure that justice and equity some how, some way, will prevail even in the courts, if that it must be.

I made the tentative proposition last Wednesday as follows, providing I could make satisfactory arrangements with the Municipal Bond Company, is: That the present mortgage be released, that the property still under the present mortgage lying north of Broadway be put up as security for the new mortgage which Mrs. Fletcher and I are to sign, the understanding being that we will agree to a deficiency judgment not to exceed \$20,000. You and Mr. Lovett can get together and determine what the amount is.

I hope the F. & W. Thum Company will be very lenient in the matter of past due interest. I owe the banks a couple hundred thousand dollars and they have been kind enough to reduce the rate of interest to two and four percent voluntarily to help me out.

The property north of Broadway under the new mortgage to be as follows: Blocks 19, 21, that portion of 22 not released, 23, 24, 33, 34 and 35, together with Lots 1 to 6, inclusive, in Block 32. It is impossible to return Block 36 as that has been sold and there are obligations against it that make it impossible. It is now owned by

-2-

another party and you received \$10,000 in cash recently for its release. It is not in the irrigation district and is just a pasturage proposition, mostly rough adobe hills.

The above property to be free and clear of taxes both district and state and county, and the bonds liquidated. I will undertake to sell the property under some mutually satisfactory agreement, with a release clause and liberal commission, you to have all the balance of the proceeds, until you are paid.

You spoke of Block 20 and the south 10 acres in Block 22, together with the 10 lots facing on Broadway as being the heart of the proposition. My children, thru the Grossmont Park Company, own the property released from the mortgage, and the releases were made in accordance with the terms of the F & W Thum Co. agreement. Block 20 was released in August, 1928 while your mortgage on which you are foreclosing was dated Sept. 10, 1929. The children take the attitude that they want to help their father and mother, but having paid full compensation for the acquisition of these properties they want to get something in return. I am of the opinion that if you will waive the deficiency judgment clause in the new mortgage that I can get them to include all of Block 20 excepting the house and two acres on the hill, also the property in Block 22 that has been released.

I do hope that this matter can be adjusted without further litigation and controversy. After all, please remember this, the obligation was signed before the depression. Nations, states and counties, cities and 55 irrigation districts in this state have repudiated their obligations, as well as millions of individuals.

The equities of the entire transaction from the beginning in 1906, I felt should give me special consideration as this original contract demonstrates. It was pure carelessness on the part of myself, as well as Mr. Thum, that I was not protected and the deficiency clause eliminated before signing the last mortgage.

If it had been cash that I had borrowed from the F. & W. Thum Company you would never have heard a squawk out of me but where they have got their money back and interest, and a handsome profit, leaving me to hold the sack is a matter that deserves special treatment, I feel, and I am sure in the long run we will adjust this matter to the satisfaction of all parties.

Again I want to thank you for the fact that we came to a better understanding of each other's position, irrespective of whether the litigation goes on or not. This is a compromise offer only and off the records as far as the court is concerned, as we agreed in our conference on Wednesday.

Yours sincerely,

(signed) ED FLETCHER

EF M

July 6, 1939

Mr. N.P. Moerdyke
311 So. Spring Street
Los Angeles, California

Re:-F.&W.THUM

My dear Mr. Moerdyke:

Confirming my letter of July 3rd, I want to make one correction - a matter that was wholly unintentional and left out, i.e: the new mortgage to include all of the properties under the present Thum mortgage South of Broadway and not in A&ID #19.

As you, Reed and I were discussing the property north and south of Broadway, without checking up on the map, I dictated my letter of July 3rd. Mr. Reed has called my attention to the discrepancy and I thank him for it, so I hasten to write today to say that the new mortgage will include all the properties north of Broadway in accordance with my letter, and in addition to that the property under mortgage south of Broadway outside of A&ID #19.

With kind regards and regretting the oversight,

Sincerely yours,

ED FLETCHER

EF/jv

cc-Mr.Harold Reed

JOHN C. STICK

N P. MOERDYKE

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

July 10, 1939

Mr. Ed Fletcher
1020 Ninth Avenue
San Diego, California

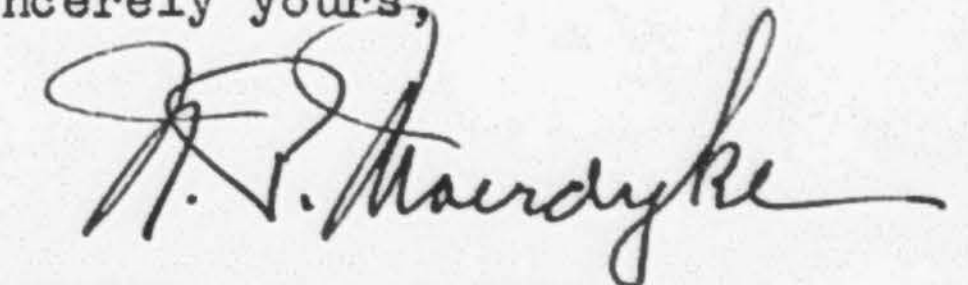
My dear Mr. Fletcher:-

This will acknowledge receipt of your letters of July 3 and July 6, 1939, stating your proposal for the simultaneous adjustment of your mortgage to the F. & W. Thum Company and the Municipal Bond Company matter. I have submitted the proposal to my clients and have their instructions to advise you, as I am doing herewith, that the proposal is unacceptable to them for various reasons which I need not attempt to enumerate.

For your information, I find that they are disinclined toward any adjustment that involves the acceptance of any new paper or any adjusted security. They feel that the logical adjustment should involve a monetary settlement and they will consider any proposal to that end that involves what they deem to be an adequate cash payment. I would suggest that you give this your consideration.

Awaiting your further suggestions, I am

Sincerely yours,



OF STICK AND MOERDYKE

NPM:F

July 11, 1939

Mr. N. P. Moerdyke,
Washington Building
311 South Spring Street
Los Angeles, California.

My dear Mr. Moerdyke:

I am in receipt of your letter of July 10th and contents noted. Am very sorry that something cannot be worked out along the lines that we discussed. Mrs. Fletcher and I have not a thousand dollars to our names, neither has the Grossmont Park Company nor the Ed Fletcher Co., with nearly \$200,000 worth of delinquent taxes against the properties that we own.

There is not a bank in San Diego that will lend a dollar on unimproved real estate. We have tried it and found out. We are right back to where we were a year ago when I went back to Massachusetts to borrow the \$15,000 from my cousin if I could, and while I was there I got notice that you had filed suit, which busted up that deal.

Will the F & W Thum Company accept a new mortgage note signed by Mrs. Fletcher and me along the lines that you agreed to recommend if I can find a way to clear the property of district and state and county taxes, you having everything except the house and two acres north of the highway as security together with the rest of the property under mortgage outside of A & I D No. 19, on the understanding that there will only be a \$20,000 deficiency judgment in case I fail.

I would like until the 1st of August to try and work it out on that basis some way and make some arrangements mutually satisfactory with the Grossmont Park Company if possible. May I hear from you by return mail, please. In the meantime I will send an air mail letter to my cousin in Massachusetts and I will see another party in Oakland from whom I may be able to borrow the money. I will also have to make some kind of a satisfactory deal with the Municipal Bond Company regarding Mattoon bonds.

July 11, 1939

Mr. John C. Stick,
Washington Building
311 So. Spring St.,
Los Angeles, California.

My dear Mr. Stick:

I am going to take my vacation during the month of August and consequently cannot do so and try the Thum - Fletcher case. I will personally see to it that this case is set for trial in September and will notify you when it has been done. If this is satisfactory to you please let me hear from you to that effect so that I may make arrangements by next Monday.

Yours very truly,

Lorett

ML

The F. & W. Thum Company agreed to putting the Mattoon Act on the property for its improvement of roads, pipe lines, etc. and I find myself in the worst position possible. I want to satisfy you people some way and get this matter cleaned up. I am making it my first order of business.

Yours sincerely,

Yours sincerely,

EF:M

P. S. Have you shown the original contract between the F & W Thum Company and myself to Mrs. Thum and her son? and Daughter. I want them to read this agreement as it bears out everything that I have ever said. I will be glad to bring up the contract itself and show it to you and to them if you care to see it.

121

the biochemistry that we saw.
 60-2 with nearly 1,000,000 copies of hepatitis virus antigen
 present was the disease. But compared with the 100,000
 copies and I was not a promising patient so on. When
 looking at the 100,000 copies and I was not a promising patient.
 and compared notes. We had really just something different
 I am the sister of John Teller of 1974 tour

W. G. S. L. P. 1900-1901:

100 pages, 8 1/2 x 11 inches.
The paper is white and
the binding is black.
It is a hardcover book.

MAY 11 1938

1991, 11 July

Mr. John C. Smith,
Washington Building,
311 So. Spring St.,
Los Angeles, California.

Mr. Dean W. Smith

I am going to take my vacation during the month

- and the fact that the company is not a public company.

Flotation case. I will personally see to it that this case

is set for trial in September and will notify you when it has

done. If this is satisfactory to you please let me

page 1 you can find out that I had a few more things

• Yabroff does not

• 1968 1969 1970

Here

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

July 19, 1939

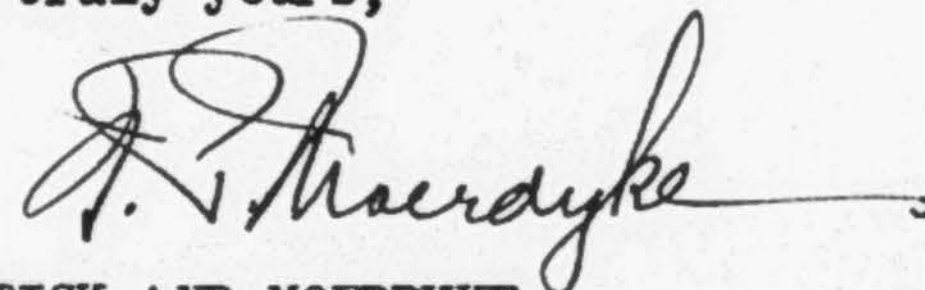
Mr. Ed Fletcher
1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:-

I have delayed replying to yours of July 11 until I could submit the contents thereof to my clients. I have done so and find that they are entirely disinclined to accepting any new mortgage. As I indicated in my letter of July 10, they feel that some monetary settlement should be made, and I am sure you may consider that their final decision.

In the matter of time within which to work out some such arrangement, I am not authorized to make any statement regarding the matter of a time limit. I hope you will be able to work out some acceptable plan of settlement.

Very truly yours,



OF STICK AND MOERDYKE

NPM:F

July 20, 1939

Stick & Moerdyke,
Washington Building
Los Angeles, California.

Attention Mr. Moerdyke

My dear Mr. Moerdyke:

Answering yours of the 19th I am leaving for San Francisco today trying to borrow money from a relative. If I fail my only other chance of getting money is from my cousin in Massachusetts, and I am so desperate I will make a trip East as soon as possible and see him in Littleton, Massachusetts, Mr. G. Edward Prouty. I had practically made arrangements with him last year to pay off the \$15,000 and interest and it was at his home I received the telegram that you had filed suit, which knocked out the entire deal.

Will do everything on earth I can to help straighten up this mess.

Yours sincerely,

EF M

Mr. Fletcher left for San Francisco before this letter was transcribed.

July 29, 1939

Mr. John C. Stick,
Moerdyke & Stick
Washington Building
Los Angeles, California.

My dear Mr. Stick:

The other day when you were here we were discussing the F. & W. Thum Company litigation and we thought it ought to be compromised.

It is true, as you say, there has never been any offer of any payment down. The facts are, to my knowledge, that Mr. Fletcher has not been able to get any money and has only been living from month to month so far as income is concerned, which he had to make himself. All of his properties he put up with the banks as security for what he owes them.

Mr. Fletcher has just returned from San Francisco where he had hoped to borrow some money in order to submit an offer to the Thum Company, but failed absolutely. He is considering making one more effort to raise money from his cousin in Massachusetts who was inclined to help him out a year ago when you brought the suit, when Mr. Fletcher was in the East for the special purpose of getting the money to pay off the F & W Thum Co. The prospects of getting money in the East are not as good as they were a year ago.

I am writing the above for I feel it is not going to be possible to make a wholly cash settlement.

My recommendation to Mr. Fletcher would be that he some how, some way, make a settlement of \$25,000 and some how some way in the near future make a substantial cash payment, say \$5,000 on account, with a low rate of interest, say 4 percent on the \$20,000 balance, payable \$5,000 or more annually, with a reasonable time to pay the first \$5000.

In consideration of the above the original conditions in the \$25,000 settlement to prevail. This means that instead of the \$25,000 settlement, it is increased to \$35,000, you already having received \$10,000, leaving a balance of \$25,000 instead of \$15,000, as in the original settlement.

The above is a suggestion for your consideration.

Mr. Fletcher will give you his written assurance that from any monies that can be made available he will pay the account off at the earliest possible moment.

Yours sincerely,

ESLM

JOHN C. STICK

N. P. MOERDYKE

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO SPRING STREET
LOS ANGELES, CALIFORNIA

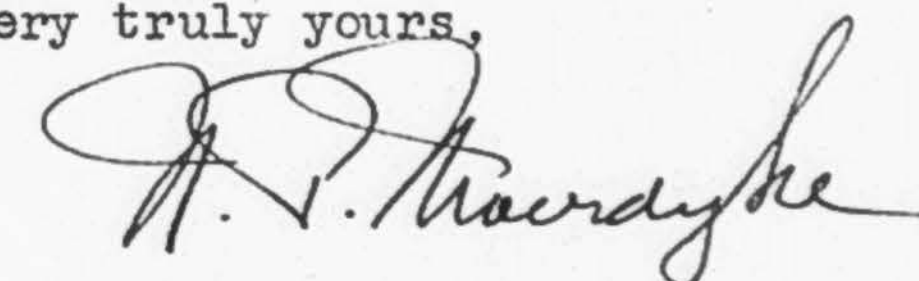
August 10
1939

Mr. Earle Lovett
1020 Ninth Avenue
San Diego, California

Dear Mr. Lovett:-

With reference to the proposal made on behalf of Mr. Fletcher for a settlement of the Thum mortgage litigation, beg to advise that our clients are deferring consideration of the matter because of a different proposal which has been submitted, in which the La Mesa Irrigation District is involved. Doubtless Mr. Fletcher is familiar with this and can advise you as to the proposed details. The decision of the Thum Company will be dependent upon developments in that connection.

Very truly yours,



OF STICK AND MOERDYKE

NPM:F

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

September 1
1 9 3 9

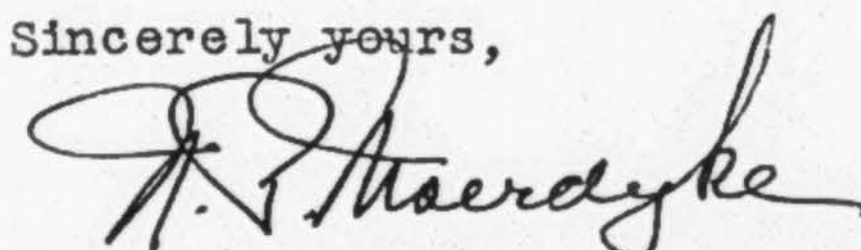
Mr. Ed Fletcher
1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:-

I have just received your letter of September 1, 1939, and am forwarding a copy thereof today to my clients. Just as soon as I have their decision in the matter, I will transmit it to you.

I feel compelled to call your attention to the fact that the terms of your letter do not conform to your verbal offer made at my office last Thursday morning. You then stated that any new note offered to the Thum company in settlement was to be guaranteed or signed by your children in addition to execution by yourself and Mrs. Thum and the Ed Fletcher Company. Further, you did not mention the return of the two pieces of property "up the Coast". I believe that in considering any such proposal as you now make, the Thum family, in considering the matter of accepting the Ed Fletcher Company on any new note, should have some definite information as to the assets and liabilities of that company.

Sincerely yours,



OF STICK AND MOERDYKE

NPM:F

September 1, 1939

AIRMAIL--SPECIAL DELIVERY

Mr. N. P. Moerdyke
Stick & Moerdyke, Attorneys
311 So. Spring Street
Los Angeles, California

Re: F. & W. THUM COMPANY

My dear Mr. Moerdyke:

Confirming my telephone call on my way to San Francisco, I did everything possible, not alone with the Banks but with Dean Witter Company and my relative - not a chance to get a dollar. The war scare and non-productive property of the children made it impossible to get a loan even if my children would guarantee it. I cannot borrow a dollar and neither can my children on unimproved property in San Diego through the Banks or private individuals as it is wholly non-productive and nothing selling.

My son, Lawrence, promised to loan me \$5,000 on securities that he had which is immediately available, and the rest of the family in San Diego between us can probably dig up another \$5,000, making a \$10,000 down payment. This would leave \$25,000. I have talked to two or three of the children who are agreeable, and I am willing to recommend to the rest of the children, in the name of the Ed Fletcher Company, a corporation, together with Mrs. Fletcher and myself, personally, to sign a note for \$25,000 payable \$5,000 on or before six months from date; \$5,000 in a year and \$15,000 on or before two years with a low rate of interest, say 4%.

By any stretch of the imagination, this is the best that can be done. In return, the mortgage to be cancelled, the return of the two pieces of property up the Coast, and as a ditional security, you will have assigned an interest in the sum of \$35,000 as per the plan of the La Mesa Irrigation District, the Fletcher Hills property within the La Mesa Irrigation District free and clear of all encumbrance. Any moneys received from the Irrigation District plan will be applied on the Ed Fletcher Company note, and when you have been paid in full, you will assign all right, title and interest in the La Mesa Irrigation District to the Ed Fletcher Company.

I arrived home yesterday afternoon to find that a new agreement had been drawn up eliminating the F. & W. Thum Company - the plan of the Irrigation District being to bring suit to quiet title against both you and ourselves. The plan is now with the District Attorney for

September 2, 1939

Mr. N.P. Moerdyke
Stick & Moerdyke
311 So. Spring Street
Los Angeles, California

Re:-F.&W. THUM COMPANY

My dear Mr. Moerdyke:

Your letter of the first received and I owe you an apology. I was under the impression that the children as stockholders of the Ed Fletcher Company were personally responsible for the debts after the assets were applied to the indebtedness, but this morning I showed your letter to Mr. Lovett and he informs me that the stockholders are no longer responsible under the law - only to the extent of its assets.

The children are scattered - one is in Massachusetts, one in San Francisco and the third will not return for some weeks. I have taken the matter up of the personal endorsement with three of the children and they all hesitate to obligate themselves, and it is embarrassing to me. I do not think over three of them would sign any way and I hate terribly to ask them.

I am enclosing a statement of the Ed Fletcher Company. The amount as to the value of the real estate is based on the capital investment on our books and is a basis for profit or loss for income tax purposes. One daughter has an income of \$200.00 or \$250.00 a month commencing the first of January and she has offered to let Mrs. Fletcher and I have the benefit of it to apply on your account. This in addition to the \$10,000 that we are raising and which you can definitely count on. In addition to the above, you have free and clear of encumbrance the security at Fletcher Hills with all taxes paid, and if anything sells, I believe Fletcher Hills will. The total obligations against the property are around \$100,000 that cost over a million. Under our original agreement, when we pay the \$10,000, the two small pieces up the Coast were to be returned. I assumed of course these would come back and hope some time to salvage something out of that.

If you want an itemized statement of the unencumbered real estate of the Ed Fletcher Company, subject to some delinquent taxes, I will send it to you at anytime.

I have made the supreme effort in this matter and hope it is accepted. The Board of Directors of the District meet for final action, as I understand it, on the evening of September 5th, and I hope to receive some definite word from you on the matter by September 5th.

Stick & Moerdyke
September 1, 1939

Mr. N.P. Moerdyke
Stick & Moerdyke
311 So. Spring Street
Los Angeles, California

My dear Mr. Moerdyke:

I am enclosing a statement of the Ed Fletcher Company. The amount as to the value of the real estate is based on the capital investment on our books and is a basis for profit or loss for income tax purposes. One daughter has an income of \$200.00 or \$250.00 a month commencing the first of January and she has offered to let Mrs. Fletcher and I have the benefit of it to apply on your account. This in addition to the \$10,000 that we are raising and which you can definitely count on. In addition to the above, you have free and clear of encumbrance the security at Fletcher Hills with all taxes paid, and if anything sells, I believe Fletcher Hills will. The total obligations against the property are around \$100,000 that cost over a million. Under our original agreement, when we pay the \$10,000, the two small pieces up the Coast were to be returned. I assumed of course these would come back and hope some time to salvage something out of that.

ED FLETCHER

P.S:-The stock of the Ed Fletcher Company is owned by the children, Mrs. Fletcher and I owning one share each. The total obligations of the Ed Fletcher Company are not to exceed \$15,000 fully secured. The children have owned half of the stock of the Company for 20 to 25 years and the other half of the stock for the last 10 or 15 years, as I recollect it. Practically all that the Ed Fletcher Company own is unimproved real estate - most of it delinquent for taxes, but under the decision of the City of Los Angeles by the Supreme Court and the Southern Service Case, the taxes are illegal and can be knocked out.

E.F.

WIRVIR--RECEIVED DEPIAEMA

SEP 11 1939

Stick & Moerdyke:
September 2, 1939

I have just received a telephone call from the Irrigation District that the Farmers Merchant Bank through Mr. Rosetti had written a letter approving the settlement of Fletcher Hills and had eliminated the Thums from the original proposition submitted by the Irrigation District. I have arranged informally with the District and Supervisors to have you put in the original set-up for \$35,000. I want you in there so that the moneys that you receive from that source will help to pay you off the sooner, and if we are successful in selling real estate, you will have that as an asset as well as other securities and obligations of the Ed Fletcher Company, Mrs. Fletcher and myself.

I have asked the District to send you direct an agreement pertaining to Fletcher Hills and you will no doubt hear from them.

Sincerely yours,

ED FLETCHER

EF/jv
encl.

JOHN C. STICK

N. P. MOERDYKE

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

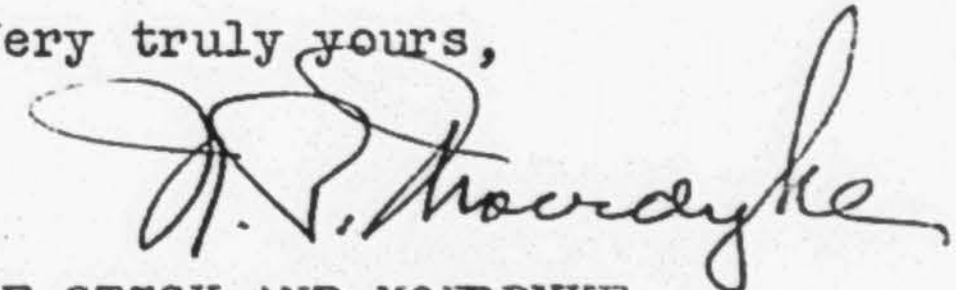
September 5
1 9 3 9

Mr. Ed Fletcher
1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:-

On September 1st I forwarded to the F. & W. Thum Company a copy of your letter, setting forth your offer of settlement of the Thum mortgage to the Thum Company, together with copy of my letter to you of date September 1st. On Sunday, September 3rd, Miss Margaret Thum phoned me instructing me to advise you that the offer was unsatisfactory and that she desired us to proceed with the foreclosure action. I am passing this information along to you in order that you may be advised as to the action we will take in the foreclosure suit.

Very truly yours,



OF STICK AND MOERDYKE

NPM:F

September 6, 1939

Mr. N. P. Moerdyke
311 South Spring Street
Washington Bldg.,
Los Angeles, California.

My dear Mr. Moerdyke:

Confirming my telephone last night to you, before the Director's meeting at La Mesa, I was making every effort to protect the F. & W. Thum Company on their Fletcher Hills security.

My understanding over the phone was that you would be willing to recommend to the F & W Thum Company that the Thum Company be a party to the agreement providing 35 percent of the net sales was paid to you in any case. That you would not release the mortgage but would release each parcel as sold. That this arrangement in no way interfered with the trial and the Thum Company giving up no rights.

I transmitted this information to the manager, Mr. Harritt and asked him to tell the Board of Directors of the District of the suggested plan. I did not attend the meeting as I was under the weather but my son was there and Mr. Reed. Mr. Reed informs me this morning that the Board of Directors took official action ignoring the suggestion, and the Board of Supervisors has already taken official action. It is too bad and I regret it more than I can say, for I did feel that it was for the best interest of the F & W Thum Company to have made some arrangements mutually satisfactory to protect their equity in the property.

Yours sincerely,

EF M

*Placed in O.O. by me at 7:20 a.m.
J. L. May*

LA MESA, LEMON GROVE & SPRING VALLEY IRRIGATION DISTRICT

DIRECTORS

H. BRUCE CARMICHAEL, LA MESA, NO. 1
R. M. LEVY, LA MESA, NO. 2
WM. H. WEST, LEMON GROVE, NO. 3
W. H. SPERRY, SPRING VALLEY NO. 4
FRANK R. DEATTY, EL CAJON, NO. 5

Phone La Mesa 6551 or 6611

4769 Spring Street

LA MESA, CALIFORNIA

(COPY)

September 7, 1939

Stick & Moerdyke, Attorneys
311 South Spring Street
Los Angeles, California

Attention: N. P. Moerdyke, Esq.
Re: F. & W. Thum Company
vs. Ed Fletcher, et al.

Dear Mr. Moerdyke:

You will recall that some weeks ago I was at your office in Los Angeles relative to a possible settlement of the various indebtedness including that represented by the mortgage to F. & W. Thum Company now constituting the burden upon the real property lying within Acquisition & Improvement District No. 19 of San Diego County.

At the time of my conference with you I left with you a memorandum of a suggested basis of settlement which the Irrigation District proposed to attempt to place into effect. You will recall that this memorandum was a suggestion that all of the parties involved claiming an interest in this property pool their respective interests in trust with the Irrigation District conveying the property subject to this special improvement district to the Irrigation District, which would undertake to clear the property from the lien of state and county taxes and the special improvement district bonds, subsequently conducting a sales campaign with the hope that the property would pay off the indebtedness against it to the various parties in interest through a distribution of a percentage of the net proceeds of sale after the deduction of 25% of the original selling price as and for selling expense.

Specifically it was proposed that your clients agree that the sum of \$35,000.00 represent their claim under the mortgage which is now being foreclosed. That the mortgage be discharged and the pending litigation for its foreclosure be dismissed and that in lieu thereof

OFFICERS

R. M. LEVY, PRESIDENT
W. H. SPERRY, VICE PRESIDENT
C. HARRITT, GENERAL MANAGER
AND CHIEF ENGINEER
KARL HUDSON, SUPERINTENDENT
C. C. FRENCH, TREASURER
RUTH C. DREW, SECRETARY
IRA C. ROBINSON, ASSESSOR-COLLECTOR
W. H. JENNINGS, ATTORNEY
PHONE LA MESA 2398



your clients accept the personal obligation and guarantee of the persons personally and individually liable under the mortgage for the payment within an undetermined period of the sum of \$30,000.00, the sum of \$5,000.00 being paid in cash upon the acceptance of this proposal, and that thereafter 35% of the net proceeds of the sales of the real property involved be paid to your clients to apply upon the obligation of \$30,000.00 until the full amount of such obligation had been paid and discharged. Subsequently I requested Mr. Harold Reed of the Municipal Bond Company in Los Angeles to discuss this matter further with you and to fix some term upon the new obligation, preferably five years.

This proposition was submitted to you for transmission to your clients in the hope that its acceptance would permit of a settlement of the various conflicting taxation and private liens upon the property, a substantial part of which is included within the mortgage held by your clients, to the end that all parties, both taxing agencies and private individuals having an interest in this property, would realize the greatest possible returns towards the full discharge of their obligation from what appears to be the sole available source, to-wit, the sale of the property involved.

It was called to your attention that while your clients were requested to release their claim against some property not involved in the proposed trust agreement, on the other hand property was being included in the trust agreement lying within the boundaries of the Irrigation District, therefore subject to irrigation and by reason of that fact, of much higher value than the land released, and that your clients would participate in the proceeds of the sales of such properties on the same basis as the holders of other liens against the land.

While I have never received a definite expression from you as to your clients attitude regarding this offer, I have been advised by Mr. Harold Reed that they have definitely refused to participate upon the basis outlined. Nevertheless we have continued with our negotiations with the County of San Diego, with the owners of record of this property and with the holders of the outstanding improvement district bonds of Acquisition & Improve-

ment District No. 19, and have arrived at an agreement substantially in the form outlined to you in the early part of August.

By the terms of this proposed agreement, which has been approved by the parties involved, the La Mesa, Lemon Grove & Spring Valley Irrigation District is to acquire title to all of the property lying within Acquisition & Improvement District No. 19. This includes a substantial portion of the property subject to the mortgage which you are now foreclosing but includes also a substantial greater area of land lying within the Irrigation District and not subject to the mortgage. It is proposed to permit the present owners of this property to redeem the same upon their paying to the Irrigation District their proportionate share of the total agreed indebtedness against this property, the money so received to be distributed to the participating lien holders in proportion to the amounts of their respective liens. Those property owners unable to redeem on this basis, which class of property owners includes the greater area of the property involved, have agreed in the main to convey their property to the Irrigation District in trust for future sales in accordance with the proposal heretofore submitted to you, and at the present time it is proposed from the proceeds of such sales to deduct and distribute the following amounts:

First: 25% of the total proceeds of sales to cover the selling costs.

Second: From the remaining proceeds of sales (net proceeds) to be deducted and paid as follows:

30% of the net proceeds to the County of San Diego until a total of \$12,500.00 has been so paid.

30% of the net proceeds of sales to La Mesa, Lemon Grove & Spring Valley Irrigation District until \$20,000.00 has been so paid.

40% to the Farmers & Merchants National Bank, being the owner of the outstanding improvement district bonds against this real property, until a total of \$50,000.00 has been so paid.

(Note) After the Irrigation District and County of San Diego have been paid in full the total net proceeds of sale would be payable to the bank until the bank's obligation had been fully paid and discharged.

After the payment of the liens against the property in this manner such property as then remained unsold it is proposed would be conveyed to the original owners of record of the property in proportion to their original ownership.

An important part of this proposal is that the Irrigation District is to acquire a perfected title through quiet title proceedings against those owners of record or lien holders of record who fail or refuse to participate upon the basis outlined. The District of course to quiet title upon the basis of the deeds it has taken covering this property as a result of its sales for the non-payment of its assessments. Inasmuch as the Irrigation District claims ownership by reason of such sales to all of the property lying within this Improvement District, we feel no hesitancy in proceeding on this basis if the owners of the property or the owners of liens thereon do not wish to avail themselves of this opportunity to salvage at least a part of their interests in the matter.

The Irrigation District is now offering the Thum interest an opportunity to participate in this plan of settlement of the liens against this property on a basis which recognizes a lien of the difference between the sum of \$35,000.00 and whatever can be paid in cash by the Fletcher interests to apply against that total and the status of such balance within this trust would be recognized as of equal standing with the lien of the Irrigation District and County of San Diego. In other words, should your clients see fit to do they can substitute the questionable claim and security which they now hold for a position in the trust including all of this property lying within the boundaries of the Irrigation District from which they will receive such amount as can be agreed upon between themselves and the Fletcher interests in cash, such amount to be credited against a total of \$35,000.00 and the balance of that obligation to participate from the first proceeds of the sales of property subject to the trust on the same basis as the County of San Diego and the Irrigation District but in proportion to the respective amounts of the liens.

Should your clients either fail to accept this offer on the part of the Irrigation District or definitely refuse it, the Irrigation District will proceed through quiet title proceedings to perfect its title to its properties lying within its boundaries subject to the Thum interests from any claim by reason of its mortgage.

As the Irrigation District is an original party defendant to the suit to foreclose the mortgage it is my intention to file an answer and cross complaint as to that portion of the property involved in the suit to which the District has acquired its tax title. It is hoped that this proposition will meet with the approval of your clients but I felt that in fairness to all the parties concerned it should be definitely communicated to you for your approval or rejection and so that you would be fully advised of what is intended to be done by the other parties looking to this property for the discharge of their respective claims.

Yours very truly,

WHJ/EB

W. H. JENNINGS
Attorney for

LA MESA, LEMON GROVE & SPRING
VALLEY IRRIGATION DISTRICT.

CLASS OF SERVICE

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

WESTERN UNION

1201

(02)

R. B. WHITE
PRESIDENTNEWCOMB CARLTON
CHAIRMAN OF THE BOARDJ. C. WILLEVER
FIRST VICE-PRESIDENT

SYMBOLS

DL - Day Letter

NL - Night Letter

LC - Deferred Cable

NLT - Cable Night Letter

Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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SENATOR ED FLETCHER=

1820 - 9th

PHONE JACKSON 6271 355 WALNUT ST SANDIEGO CALIF=

THUM COMPANY FAVORABLY INCLINED YOUR PROPOSITION BUT WILL NOT MAKE COMMITMENT UNTIL FURTHER DEFINITE DETAILS PROVIDED STOP SUGGEST YOU SEND ME COPY LETTER YOU SHOWED ME TODAY AND ADVISE WITH CERTAINITY WHEN CASH WOULD BE AVAILABLE FOR SETTLEMENT YOU REQUEST=

N P MOERDYKE.

TELEPHONE NO. 6204 JV
TELEPHONE TO 40
TIME 425P
BY av TO DE Dld

TELEPHONE NO.

TELEPHONE TO

TIME 412P

BY X

TO BE

Dlx ofc ask

clg abck

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

October 31, 1939

Mr. N.P. Moerdyke
Stick & Moerdyke
311 Sol Spring Street
Los Angeles, California

Re: -F.&W. THUM COMPANY

My dear Mr. Moerdyke:

I thank you kindly for your telegram of the 30th.
Enclosed find copy of letter from Mr. Wm. S. Jack.

I saw the Board of Directors last night and at my request they failed to sign the agreement, in fact, they are taking the matter up on their own initiative with the Bank and Mr. Reid to substitute Mr. Jack for the F.&W. Thum Company. In the meantime, I am expediting the matter as fast as possible to get the money.

The law calendar as you probably know is all blocked up with thirty-three cases ahead of ours and they are still trying the same case that was on when Mr. Stick was down here the last time.

Sincerely yours,

EF/jv
encl.

C
O
P
Y

WM. S. JACK
1056 Hanna Building
Cleveland, Ohio

Oct. 28, 1939

Col. Ed Fletcher
Ed Fletcher Company
Real Estate
1020 Ninth Avenue
San Diego, California

Dear Ed:--

Your letter of October 20th to hand, I have some
Borg-Warner Stock that I can sell and realize the necessary
amount of money you so urgently require, namely...\$35,000.00.

If you can wait a week or two, I am sure this stock should take
an appreciable rise on the market, but in case you have to have
it, I will sell enough to realize the \$35,000.00 you so urgently
need.

Kindly advise how long you can wait and I will govern
myself accordingly.

Sincerely yours,

WM. S. JACK

WSJ:AB

Copy to
Geo. W. Jack

JOHN C. STICK

N. P. MOERDYKE

STICK AND MOERDYKE
LAWYERS
WASHINGTON BUILDING
311 SO SPRING STREET
LOS ANGELES, CALIFORNIA

November 1
1 9 3 9

Senator Ed Fletcher
1020 Ninth Avenue
San Diego, California

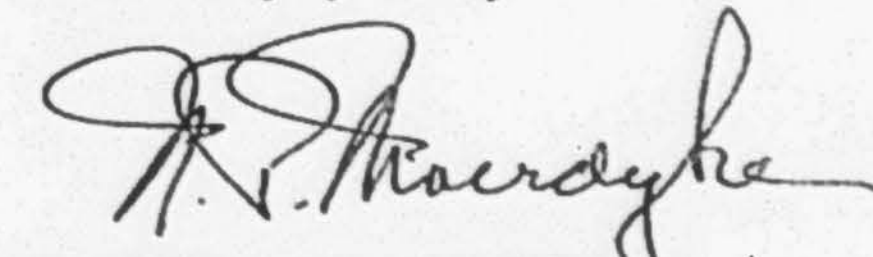
My dear Senator Fletcher:--

This will acknowledge receipt of yours of October 31, and
copy of the letter of October 28 addressed to you by William S.
Jack.

As I indicated in my telegram to you, the Thum Company
is favorably inclined to the proposition discussed between us
verbally on Monday, October 30. However, they feel that the
situation is such that no definite or final commitments are
possible because of the uncertainties of the situation. I con-
sequently can do no more at the present moment than express the
confident belief that if you can, within the next two weeks,
tender the Thum Company the amount discussed, in lawful money of
the United States, they will accept the same and assign their
interests to Mr. Jack so that he may be included in the proposed
trust agreement as one of the beneficiaries thereof.

I wish to make it particularly plain that the foregoing
is no more than an expression of my belief and that I am not
authorized to make any final commitment in the matter on behalf
of the Thum Company.

Sincerely yours,



OF STICK AND MOERDYKE

NPM:F

November 6, 1939

Mr. N. P. Moerdyke,
311 South Spring St.,
Washington Building
Los Angeles, California.

My dear Mr. Moerdyke:

To my chagrin and great disappointment I received the following telegram from Mr. William Jack Saturday morning, completely repudiating his agreement to finance me:

"Have thoroly reviewed all papers submitted by George who will return same. Conditions beyond my control make it impossible compliance your request
Wm. Jack"

The papers had all been made out in accordance with our understanding, and his brother, George Jack, took the signed papers with him to Tulsa, Oklahoma. The real reason, I believe, for repudiation is this - in his original letter agreeing to finance, he wanted to wait a week or two expecting his 58,000 shares of Borg-Warner stock to go up three or four points during that time. Instead it went down 3 1/2 points to 4 points. I can today see no possibility of borrowing the money from anyone, altho I am making one more effort with a party in San Francisco.

As I explained to you personally, Mr. Mulit of the Bank of America called me to Los Angeles, mentioned the Thum suit and told me the time was ready for me to deed over the properties which they held as security and in consideration they would return my notes and would waive a deficiency judgment. The deeds have been signed and delivered. I understand they have been recorded and I will get back my \$120,000 worth of notes. Just so the First National Bank did likewise and is waiving any deficiency judgment. In fact, they offered to settle with me at 50 cents on the dollar if I could pay, but of course that was out of the question, so their \$90,000 or more of notes are being cancelled and returned to me. The deferred interest alone on both notes amounts to a huge sum, in addition, which they have waived.

November 8, 1939

AIR MAIL
SPECIAL DELIVERY

Mr. N.P. Moerdyke
Stick & Moerdyke
311 South Spring Street
Los Angeles, California

Re:-F.&W.THUM COMPANY

My dear Mr. Moerdyke:

Confirming telephone, I was certainly surprised that Mr. Jennings had taken the position that you were to release everything both outside and inside the District in consideration of the \$35,000 in the Trust. That may have been the original plan but it certainly was modified later. We were certainly talking at cross-purposes. I tried to get Mr. Jennings today and failed as he is out of the City and wired you to that effect.

Since sending the telegram, I have telephoned the General Manager of the District, Mr. C. Harritt. He informs me that he does not believe the Board of Directors will have any objection whatever to our making the following deal:

That the F.&W. Thum Company only release from the mortgage the lands in the Irrigation District and get in return a \$35,000 credit in the District's Trust. The original Trust has been changed very materially, the District will be given a deed to the property; the property will stand in their name; there will be no state, county or irrigation district taxes to pay, which is a very vital matter, and no taxes will be paid until we find a new purchaser, and other charges running against the property.

The District have scaled their taxes down from \$68,000 to \$20,000, as I remember it; the state and county taxes have been scaled down and approved by the Board of Supervisors from \$38,000 down to \$12,500. The Municipal Bond Company are only getting 15¢ on the dollar for the \$600,000 worth of bonds from the county, and in addition to that they are only getting \$50,000 additional in the District's Trust, so that the total indebtedness against the property of 600 or 800 acres will only be \$82,500 with all the improvements paid for. The platting and subdivision alone cost \$100.00 an acre, but the property is now ready to sell and will be put on the market in the near future. A few private property owners with small holdings will have the opportunity to

My thought is this, your clients might be willing to accept a confessed judgment of \$35,000. We will deposit \$5,000 within 30 days from date, agreeing to pay \$5,000, or more, each six months, with 4 percent interest on deferred payments. As additional security we can still arrange to have you put in the beneficial trust regarding Fletcher Hills in the sum of \$35,000.

There will be no taxes to pay on the property until it is sold. You will be assuming no obligation to pay anything and in addition you will have all the other properties which you are holding as security. I do not ask that any agreement be made along these lines until we put in your hands the sum of \$5,000 which we will do at the earliest date possible, probably by the 5th to 10th of December. As a compromise Mrs. Fletcher and I are willing to make the above deal.

Yours sincerely,
 [Signature]

Enclosed for you are two copies of the deed to the property and a copy of the deed to the property.

Very truly yours,
 [Signature]

Enclosed for you are two copies of the deed to the property and a copy of the deed to the property.

November 8, 1939

November 8, 1939

WILLIAM W. THOM COMPANY
 SPECIAL DELIVERY

Mr. W. F. Woodruff
 311 South Spring Street
 Los Angeles, California

Re: W. F. Woodruff Company

Dear Mr. Woodruff:

Confirming telephone, I was certainly surprised that Mr. Jennings had taken the position that you were to release everything both outside and inside the District in consideration of the \$35,000 in the Trust. That may have been the original plan but it certainly was modified later. We were certainly talking at cross-purposes. I tried to get Mr. Jennings today and failed as he is out of the City and wired you to that effect.

Since sending the telegram, I have telephoned the General Manager of the District, Mr. G. Harritt. He informs me that he does not believe the Board of Directors will have any objection whatever to our making the following deal:

That the W. F. Woodruff Company only release from the mortgage the lands in the Irrigation District and get in return a \$35,000 credit in the District's Trust. The original Trust has been changed very materially, the District will stand in their name; property, the property will stand in their name; there will be no state, county or irrigation district taxes to pay, which is a very vital matter, and no taxes will be paid until we find a new purchaser, and other charges running against the property.

The District have scaled their taxes down from \$68,000 to \$20,000, as I remember it; the state and county taxes have been scaled down and approved by the Board of Supervisors from \$38,000 down to \$12,500. The Municipal Bond Company are only getting 1 1/2% on the dollar for the \$600,000 worth of bonds from the county, and in addition to that they are only getting \$50,000 additional in the District's Trust, so that the total indebtedness against the property of \$600 or \$800 acres will only be \$25,500 with all the improvements paid for. The platting and subdivision alone cost \$100.00 an acre, but the property is now ready to sell and will be put on the market in the near future. A few private property owners with small holdings will have the opportunity to

Mr. N.P. Moerdyke:
November 8, 1939

redeem, and as I understand it there is \$5,000 or \$10,000 that will immediately come into the fund to take care of the first payments that are to be made, i.e. the taxes and to the Bondholders. The District will have control at all times. What I am hoping you will do is this:

Accept the \$5,000 cash which the children have dug up among themselves; have the \$35,000 interest in the Trust and satisfy yourself that through my children and their guarantee you will be adequately protected irrespective of looking to the Fletcher Hills property for your money. We will satisfy you that we can dig up and pay \$5,000 every six months with a reasonable rate of interest until the \$35,000 is paid - the details for you to arrange between my sons and your clients. Edward, Charles and Willis want to come up and see you either Friday of this week or the first of next week, whenever it suits your convenience.

I hope a way can be found to work this matter out so that you can be satisfied that your clients will get their \$35,000 and interest until paid. I am sending this letter by air-mail, special delivery, and asking for your reaction by telephone at my expense by tomorrow, Thursday morning. Please reverse the charges.

Sincerely yours,

ED FLETCHER

EF/jv

November 15, 1939

Mr. N. P. Moerdyke,
Washington Building
311 So. Spring Street
Los Angeles, California.

My dear Mr. Moerdyke:

Confirming our conversation with you, and also later with Mrs. Thum and Miss Margaret Thum, we, the Fletcher children offer the following settlement as a means of satisfying in full all obligations of father and mother to the Thums:

A settlement of \$35,000, the terms to be as follows: \$5,000.00 in cash upon the execution of the agreement, the balance to be paid at the rate of \$5,000.00, or more, each year, plus four (4) percent interest, until paid. This obligation to be in the form of an installment note signed by all of the ten children, each individual to be held individually liable in the amount of \$3,000.00. This note is to be guaranteed by the Ed Fletcher Co., the Grossmont Park Company and also by Ed and Mary C. B. Fletcher.

As a further evidence of good faith we agree that your pending suit under the original note shall be continued until such time as the \$35,000 settlement shall have been paid in full including interest.

In consideration of the carrying out of the terms of this \$35,000 settlement in full, the Thums are to agree to dismiss the pending suit and return all security held under the mortgage.

Will you please submit this offer to the Thums, and if the general terms are acceptable will you draw up an agreement embodying these terms which we can execute to make the settlement binding.

We appreciate very much the courtesy extended to us by yourself, Mrs. Thum and Miss Margaret Thum.

Yours very truly,

F M

December 18, 1939

Mr. John R. Stick,
San Diego, California.

My dear Mr. Stick:

I make the following suggestion, that you take the note of the Ed Fletcher Co., a corporation. Ed Jr says there are about 600 acres of land in Fletcher Hills outside of A & I D No. 19, adjoining El Cajon.

There is no encumbrance against it excepting the F. & W. Thum Company mortgage and delinquent taxes which taxes we will agree to pay off immediately.

I will recommend to the Ed Fletcher Co. that in addition to the \$37,000 which Mrs. Fletcher and I are borrowing that the Ed Fletcher Co. give you a \$13,000 note, payable on or before three months from date, with the 500 or 600 acres of land free and clear of encumbrances, excepting this year's taxes, as security for the note, and with right of deficiency judgment on the \$13,000 note.

The paving bonds on Broadway Extension thru this 600 acres are paid, and the Mattoon Act extinguished.

As I have told you before, I do not own but one share of Ed Fletcher Co. stock it being owned by the 10 children. All of the obligations of the Ed Fletcher Co. is less than \$7,000 and they are more than doubly secured, and no one is crowding us.

Yours truly,

EF M

December 18, 1939

Mr. John R. Stick,
San Diego, California.

My dear Mr. Stick:

If you are not satisfied with the above, as additional security we will provide in the La Mesa Irrigation District trust that the sum of \$13,000 be paid to the F. & W. Thum Company.

The trust will include the improved portion of Fletcher Hills, with paved roads, cast iron water mains all paid for and the only obligation against this property would be approximately \$85,000, \$50,000 to the Farmers & Merchants Bank of Los Angeles and the balance to the Irrigation District and to the state and county for taxes.

I feel positive we can raise the \$13,000 by borrowing it, or otherwise, within the next three months period, and I agree to go the limit to pay the \$13,000 within the three months.

Yours sincerely,

EF M

December 19, 1939

Mr. John Stick
Stick & Moerdyke
311 So. Spring Street
Los Angeles, California

My dear Mr. Stick:

Enclosed find Quitclaim Deed which kindly have
the F.&W.Thum Company sign and mail to us in accordance
with your statement to the Court yesterday.

With kind regards,

Sincerely yours,

EF/jv
encl.

December 19, 1939

Mr. John Stick
Stick & Moerdyke
311 So. Spring Street
Los Angeles, California

My dear Mr. Stick:

Just a word to compliment you on your kindness
and courtesy during the most distressing time in my life.
One can truly represent their client and yet be gentle-
manly and sympathetic. I am more than appreciative of
your courtesy and hope sometime to repay you in kind. Do
not hesitate to call on me when I can be of service.

I do hope your cold is better and that you will
soon be yourself again. If you will let me have your
home address, it will be a pleasure to send you a few of
our new crop of avocados from our ranch, and I will throw
in a dozen green lemons that will be absolutely sweet --
believe it or not.

With kind regards and wishing you the Compliments
of the Season,

Sincerely yours,

EF/jv

December 21, 1939

Thum
Mr. John Stick
Stick & Moerdyke
311 South Spring Street
Los Angeles, California

My dear Mr. Stick:

Thanks kindly for your letter of the 19th and I acknowledge receipt of the resolution and satisfaction of mortgage. Please do not hesitate to call on me when I can be of service.

I do want to thank you for the splendid way in which you handled the situation - the most unfortunate one in my life's experience.

With kind personal regards and please remember me to Mr. Moerdyke,

Sincerely yours,

EF/jv

JOHN C. STICK

N. P. MOERDYKE

STICK AND MOERDYKE
LAWYERS

WASHINGTON BUILDING
311 SO. SPRING STREET
LOS ANGELES, CALIFORNIA

March 1
1940

Senator Ed Fletcher
1020 Ninth Avenue
San Diego, California

My dear Senator:

I have just had a call from our clients, the Thum Company, reminding us that on the 16th of March the balance of the note and mortgage will fall due, and that they want me to remind you that they expect the payment to be made promptly.

I trust that you can meet the obligation when it comes due, so that the desires of all parties in the matter can be completely satisfied.

With Kindest regards, I am

Very respectfully yours,

John C. Stick

OF STICK AND MOERDYKE

JCS:F

Mr. John C. Stick
Stick & Moerdyke
311 So. Spring Street
Los Angeles, California

Re:-F.&W.THUM COMPANY

My dear Mr. Stick:

On my return from a trip I find your letter of March 1st.

The Ed Fletcher Company have enough money coming in in commission from the second and third unit sale of redwoods to the U.S. Government to pay you up in full - they are receiving a 10% commission on everything purchased, and the second and third units have been officially accepted by the Government. This refers to the sale of redwoods of the National Bank of Bay City, Ward Redwood Company and the Blue Creek Redwood Company and Marguerite W. Ward. The deeds have already been recorded for these two units and the money for the second unit should be here any day.

We have no other way of making these payments excepting through the sale of the redwoods. If you will write to Mr. S.B. Show, Regional Forester of the U.S. Forest Service, 760 Market Street, San Francisco, he will confirm this. The money from the third unit should come within 30 or 40 days. I am sending Mr. Show a copy of this letter and asking him to confirm the above if you care to write him.

With kind regards,

Sincerely yours,

ED FLETCHER

EF/jv
encl.

cc-Mr.S.B.Show

March 22, 1940

Mr. John Stick
Stick & Moerdyke
311 So. Spring Street
Los Angeles, California

Re:-F.&W.THUM COMPANY

My dear Mr. Stick:

I have received the following letter dated March 16th addressed to Harold Ward from the Department of Agriculture at Washington:

"This acknowledges your telegram of March 14, 1940, addressed to Mr. McConville of this office, in connection with the acquisition of 1246.67 acres of land, more or less, for a total consideration of \$38,017.37.

This case has just been returned to this office by the Attorney General, with an opinion finding title to be vested in the United States. It will be transmitted immediately to the Forest Service of this Department for payment, and we feel sure that the funds will be disbursed shortly thereafter."

This means our commission of 10% will be available from the sale of redwoods and will be immediately turned over to you on receipt of same. The Government has also purchased the third unit, the deeds have been executed and recorded and is in the Attorney General's office in Washington for final approval of the title. With the money coming in from these two units we should pretty nearly pay off the entire indebtedness to Thums.

With kind regards,

Sincerely yours,

EF/jv

March 26, 1940

Stick & Moerdyke,
Washington Bldg.,
Los Angeles, California.

Gentlemen:

Enclosed herewith find check for \$3500.00 for the account of the F. & Thum Company. We are receiving \$3300.00, but the other \$200 is to take care of expenses. This covers Unit No. 2. On Unit No. 3 all contracts have been signed with the government, the deeds have been recorded, the certificate of title has been issued and the papers have gone back to Washington for final approval. We should have that money in less than 30 days, and as I remember it, there is about \$50,000 coming on this sale of Unit No. 3 of which we will get \$5,000. Practically all of it will be turned over to you.

Unit No. 4 has been approved by Washington for purchase and the money should be available within 60 or 90 days. In this way we can clean up all of your obligation. Our only source of income to pay you is thru these sales.

We deposited the government checks for collection today but none of the banks either in San Francisco, Los Angeles or San Diego will honor the government checks, and all government checks are taken for collection. It seems there has been so much delay, red tape and approval from Washington that a number of turndowns that the banks of California are not recognizing any checks until they have collected the money from the U. S. government, so you must hold this check until it has cleared thru the bank. We will notify you the moment the bank advises us that the checks have been cleared, so you can deliver this check for \$3500 to the F. & W. Thum Company.

Yours sincerely,

EF M

May 6, 1940

Stick & Moerdyke
Washington Bldg.,
311 So. Spring Street
Los Angeles, California.

Re: Thum vs. Fletcher
Mortgage foreclosure

Attention Mr. John Stick

Gentlemen:

In the above entitled matter I am in receipt of your letter extending our time in which to answer or otherwise plead to the complaint in foreclosure until May 14th.

I have today been in conference with my father and the other defendants in the action and they have requested me to write you in regard to an extension in this matter for a period of 60 days for the following reason; I am enclosing letter of May 1st from the U. S. Forest Service pertaining to sale of redwoods. The deal has been consummated and there is more than sufficient funds coming to pay off your debt in full. My father represents the National Bank of Bay City, the Ward Redwood Company, Blue Creek Redwood Company and Marguerite Ward, and gets a 10 percent commission on all sales. Part of this money should be here in a few days, in the National Bank of Bay City deal, and the balance within four or six weeks. The contracts have been signed, the deeds have been executed, the title company has approved the title and in accordance with usual practice the recorded deeds and the certificate of title are now in the hands of the government ready for the final approval by the Attorney General's office.

I hope you can see your way clear to give us an extension of time until the 15th of July. In the meantime the day the money from any of these sales is received it will be forwarded to you to apply on account.

following to you to which on account
-2- the money from and of these sales is received is that to
an extension of time until the term of 1914. In the meantime the
I hope you can see how much more you will be able to

which for the first installment of the proposed General Office
collection of state and local in the hands of the Government
and in accordance with what has been the usual practice of the
If this suggestion is acceptable to you
what may we anticipate as the attorney's fees in connection
with the mortgage foreclosure. I hope you will be moderate
under all of the circumstances.

Please return the original letter from
the government.
Yours very truly,
FTF M
I have been in conference with the

the first
of course being to the committee in connection with
receipt of some further explanation of the time in which to answer
in the above suggested matter. I am in

conclusion:

Attention Mr. John Glick

Wolfe's collection
re: John A. Fletcher.

for which the committee
will be able to give
information about
Glick & Co. and

W.A. G. 1870

Ed Fletcher Papers

1870-1955

MSS.81

Box: 18 Folder: 23

General Correspondence - Moerdyke, N.P.



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