

3/17/27

Within the contemplation of the transaction whereby Fletcher and Stern acquired the Cuyamaca Water Company, the so-called Fletcher note in the principal sum of \$85,575.78 had at that date as between the buyer and the seller an agreed value of \$100,000. This valuation arose in the following manner:

Ed. Fletcher asked for an option on the 10/12ths of the Cuyamaca Water Company owed by the Murray estate intending to promote a sale to others; the selling price was discussed and fixed at \$600,000 net; Fletcher then asked "What commission do I get for selling this property"; the executor stated the \$600,000 was net; Fletcher then asked for the return of his \$85,575.78 note then appraised for Federal estate tax purposes at \$65,000 as a commission upon the sale at \$600,000; the executor refused; Fletcher then said, "What am I going to do about that note, I do not want to have to pay the principal and interest of that note at any valuation"; the executor suggested the value of the note be added to the \$600,000 making \$700,000 and that the selling price, when fully paid the note to be returned to Fletcher as a commission; Fletcher and the executor then agreed between themselves that the value of the note for the particular purpose of that transaction irrespective of any appraised value was \$100,000; the purchase price was then made \$700,000 and the option issued, carrying the value of the note as a commission as above indicated; upon the consumation of the transaction the note was returned as contemplated.

At no time did Mr. Fletcher retire from the position that Mrs. Murray had promised him this note as compensation for services rendered to her in matters connected with the Murray estate; contra, Mrs. Murray has never conceded the correctness of Mr. Fletcher's position in this respect.

Dated at San Francisco, California, March 17, 1927

In duplicate

Approved:

W. S. K. BROWN as Executor

Ed Fletcher

March 25, 1927.

Mr. W. S. K. Brown,
315 Montgomery Street,
San Francisco, Calif.

My dear Mr. Brown:

You asked me the other day to give you full particulars regarding the \$85,000 note which I signed in favor of James A. Murray sometime before his death,² and my understanding with Mrs. Murray in relation to it after his death, together with the services that I rendered in connection with it without compensation.

Before Mr. Murray's death he told me that I would never have to pay the note if the Cuyamaca System was sold, and he got his money back. I believe the records will show that he never asked me for any interest on the note. Practically all of the money went into the Cuyamaca Water Company development, and he told me he had given the note to Mrs. Murray before his death.

I arrived in Monterey before Mr. James E. Murray arrived. Mrs. Murray showed me that note, said it was hers, that Mr. Murray had given it to her and not to worry, she would destroy the note, and all she wanted was for me to help her in every way possible to settle without litigation with the heirs, and particularly James E. Murray. I gave her my pledge at that time.

I put in a good deal of time chasing around the country, one trip to Butte, one trip to Seattle, one trip to Portland, five trips to San Francisco and also one trip to Salinas, and two trips to Los Angeles, all at my own expense in helping Mrs. Murray.

Mrs. Murray told both Mrs. Fletcher and my sister, Miss Fletcher, after Mr. Murray's death, we need never worry about that note, that it had been given to her and she would destroy it. I did not know that the note had not been properly endorsed to Mrs. Murray until months afterward when you claimed it as an asset of the Murray Estate. I can readily see how you once having

official knowledge of the existence of the note, not being properly endorsed, that it was your duty to consider it an asset of the Murray Estate and treated as such.

That you may have the record of my services in that matter, for which I have never been paid a cent, nor made any claim for compensation, having lived up to my part of the agreement with Mrs. Murray, I am sending you my entire file (all that I can find), identified as follows:

Notation of original letter, signed by James E. Murray, sent to Judge Bardin on Oct. 9th, 1922.

Copy of telegram I sent James E. Murray May 21, 1921

Copy of receipt from W. S. K. Brown, original sent to Judge Bardin Oct. 9, 1922, for letter from James E. Murray to Ed Fletcher.

Copy of my letter of May 23, 1921 to W. S. K. Brown.

Copy of my letter of May 23d, 1921 to Brown.

Copy of my letter to Thayer and Brown of May 24, 1921

Original telegram J. E. Murray to Ed Fletcher from Seattle, dated May 22, 1921.

Copy of letter Fletcher to James E. Murray dated May 24th, and original telegram J. E. Murray to Ed Fletcher from Butte dated May 24, 1927.

Letter of introduction from Mrs. Murray to Mr. Gregg, original.

Original telegram Rufus Thayer to Frank Kimball, Butte, Montana. By an arrangement with Mr. Thayer, I went under the name of "Frank Kimball" in sending any telegrams to Butte, Montana. Dated May 27, 1921.

Copy of my letter to Mrs. Murray of May 31, 1921.

Clipping from San Francisco paper dated May 31, 1921.

Copy of my letter to Mr. Gregg of June 2, 1921.

Copy of my letter to Mr. Brown of June 2, 1921.

Original telegram James E. Murray to Ed Fletcher of June 4th.

Copy of my telegram to Mrs. Murray of June 5th.

Copy of my telegram to Joseph A. Murray of June 5th.

Copy of letter from Ed Fletcher to W. S. K. Brown, June 7th.

Original telegram to me from W. Gregg of June 4th.

Copy of my letter to Mr. Brown of June 14th.

Original telegram W. S. K. Brown to Fletcher of June 14th.

Original telegram from James E. Murray from Monterey of June 14th. Copy of telegram Mary E. Fletcher to James E. Murray, also copy of telegram Ed Fletcher to W. S. K. Brown and copy of telegram from W. S. K. Brown to Fletcher, all dated June 14th.

Copy of telegram Fletcher to James E. Murray June 15th.

Copy of letter from Attorney Sweet to Fletcher dated June 14th, original of which was sent you.

Copy of two letters Fletcher to Brown dated June 15th.

Original letter Rufus Thayer to Fletcher dated June 17th

Copies of my letter to James E. Murray, my letter to Mrs. Mary H. Murray and copy of my telegram to James E. Murray, all dated June 17th.

Copy of telegram from J. E. Murray dated June 18th, and copy of telegram from J. E. Murray to me dated June 20th, originals of which were sent to Judge Bardin.

Copies of my letters to Brown and James E. Murray dated June 20th.

Original letter Brown to Fletcher dated June 21st, and original letter from Thayer to Fletcher dated June 22d.

Copy of my telegram to James E. Murray, Butte, June 27th; copy of James E. Murray's telegram to me from Butte dated June 28th (original having been sent to Judge Bardin) original telegram James E. Murray to Fletcher of July 1st, original telegram James E. Murray to Fletcher of July 2d, copy of telegram James E. Murray to Fletcher of July 2d (original having been sent to Judge Bardin) and

copy of my telegram to W. S. K. Brown from Portland of July 4, 1921. Copy of letter to me from J. E. Murray dated July 2d while at Portland, Oregon in which he authorized me to show you and Thayer and where I thought I had won him over to a final settlement without litigation.

Copy of my letter to Mrs. Murray from Portland, July 4th, also copy of my letter to Brown, written from Portland of July 4th and copy of my telegram to Thayer sent from Grants Pass. Also copy of letter Fletcher to Brown and Thayer of July 4th.

Copy of telegram Thayer to Fletcher of July 7th.

Copy of my letter to Brown & Thayer of July 9th, also copy of my letter to Mrs. Murray and copy of my letter to W. S. K. Brown, all dated July 9th.

Mrs. Murray's original letter to me without date.

Copy of my letter to James E. Murray of July 9th, written under the supervision of Mr. Thayer, in Mr. Thayer's office.

James E. Murray's original letter to me dated July 14th also his original telegram to Fletcher of same date.

Original letter Brown to Fletcher dated July 16th.

Copies of my letters to Brown, James E. Murray and Mrs. James A. Murray, all of date July 18th.

Copy of my letter to Mrs. Murray of July 23d.

Original letter from James E. Murray to Fletcher under date of August 6th, together with newspaper clippings sent me by Jim Murray.

Original letter Mr. Thayer to Fletcher of Aug. 8th, also copy of Fletcher's letter to Mrs. Murray of Aug. 8th.

Copy of my letters to James E. Murray, and Mrs. James A. Murray, also original letter Jim Murray to me, all dated August 9th.

Copy of my letter to Mr. Thayer of August 10th, also original letter James E. Murray to Fletcher of same date.

Original letter from James E. Murray to Fletcher under date of Aug. 13th and copy of my letter to James E. Murray of same date, also copy of my letter to Mr. Thayer of the 13th.

Original telegram J. E. Murray to Fletcher of Aug. 14th.
to

Copy of letter/James E. Murray from Ed Fletcher dated Aug. 15th, copy of my letter to Rufus Thayer, copy of my letter to W. S. K. Brown both of Aug. 15th.

Original letter from Rufus Thayer to Fletcher dated Aug. 17th.

Copy of letter Fletcher to James E. Murray of Aug. 18th.

Copy of my letter to Mrs. James A. Murray of Aug. 19th also my letter to Mr. Thayer of same date.

Copy of my letter to Mr. Brown of Aug. 22d.

Original letter from Mary Hammond Murray to Fletcher about that time.

Copy of my letter to Brown dated Sept. 16th.

Mrs. Murray's original letter to Fletcher from Hotel Alexandria, Los Angeles, about that time.

Copy of my letter to Mrs. Murray of Oct. 3d, also copy of letter to her dated Oct. 11th, and copy of my letter to James E. Murray of same date.

Copy of Mrs. Murray's letter to Mr. Fletcher about that date.

Copy of my letter to Mrs. James A. Murray, at New York, dated Oct. 18th

Original letter from Jim Murray to Fletcher, dated Oct. 26, 1921.

Copy of my letter to Brown dated Nov. 9th, 1921 Original letter Brown to Fletcher, Nov. 16, 1921.

Copy of my letter to Brown dated Nov. 28th, also copy of my letter to you dated December 29th; also copy of my letter to Mrs. Murray dated Dec. 29th; copy of your telegram to me dated Aug. 10, 1922. Copy of my letter to Judge Joseph Bardin dated Oct. 9th, 1922, written at his request. Also copy of my letter to you dated Oct. 31, 1923.

After reading this file will you kindly return it. From this file you will see that I was instrumental in effecting a compromise, and if the matter had been settled immediately after Mr. Murray's death, when I urged it, I am of the opinion it would have been fully as good as the final settlement that was made, altho I did not blame the attorneys for going slow in the matter. All I was doing was getting all the information I could. It was up to you people to weed out the wheat from the chaff, and I at all times stood ready to render any service that I could in behalf of Mrs. Murray.

As this is my file, am sending it by registered mail and ask that you return it soon after reading.

Yours very truly,

EF:KLM

Post Office Department
OFFICIAL BUSINESS

REGISTERED ARTICLE
No. 686
INSURED PARCEL

PENALTY FOR PRIVATE USE
LET'S GO
CITIZENS
MILITARY
TRAINING
-CAMPS-

San Francisco, Calif.
MAR 22
6:30 PM
1921

No. _____ AND DATE OF DELIVERY _____

Return to Ed Fletcher
Street and Number, }
or Post Office Box } 9707 1/2 St
Post Office at San Diego
State Calif.

Rev. 7-21 11-6118

After reading this you will see that I was
 returned to you from this office and that I was
 instrumental in effecting a compromise, and in the
 matter had been settled immediately after Mr. Murray's
 death, when I urged it as of the opinion of the
 law that it was best for the estate to settle
 and make, since I did not have the authority for doing
 so in the matter. All I was doing was getting the
 the fact that I could not do it. It was not for the
 to read out the report from the office, and I do
 think good to read any matter that I could
 in behalf of the estate.

As this is my office, and seeing it by
 registered mail and ask that you return it soon after
 reading.

Yours very truly,

W. S. K.

RETURN RECEIPT.

Received from the Postmaster the Registered or Insured Article, the original number of which appears on the face of this Card.

W. S. K. Brown
 (Signature or name of addressee.)

P. E. Stephens
 (Signature of addressee's agent.)

Date of delivery, 3/28 1927

Form 2811

January 10, 1928.

Messrs. Sloane & Sloane,
Wm. A. Sloane, Esq.,
Attorneys at Law,
John D. Spreckels Bldg.,
San Diego, California.

My dear Mr. Sloane:

Upon my return to the office I find your letter of December 16th.

I am sorry to see the libel proceeding went so poorly for Mr. Fletcher but hope he magnifies the result. I have not the libelous matter before me but from what you say the facts have been distorted.

Before I go any further I wish to make it clear that Mrs. Murray is distinctly unwilling to subject herself to any further publicity. She has had a great deal of newspaper space devoted to her in the settling of the Murray estate and there is no question but what it adversely affected her health. I personally have been very cautious not to inject her in any matter which might make a newspaper story and what I write now is not for any other purpose than for exhibition by you or Mr. Fletcher. If you wish to give this matter to the press by way of an interview with me, the executor and Mrs. Murray's personal attorney, you may do so, but I do not wish to have her name otherwise used nor do I wish to have her quoted in even the smallest degree. If I could only put you, as a brother-lawyer, in my position I am sure you would not only endorse my caution but would think twice before you would even write this letter.

The facts are as follows:

The sale price of the property was \$700,000 and not \$400,000;

#2-
Wm. A. Sloane

The whole of the money was paid to the executor, and not a dollar to Mrs. Murray;

The option was taken in the name of Mrs. Murray merely for time and expense saving purposes as otherwise a special proceeding within the estate would have been necessary;

The contract was drawn by me and approved by counsel for Messrs. Stearn and Fletcher;

All the purchase money including interest less a discount for cash was paid, some of it before due date, and we received in all more than \$700,000 less a commission to Fletcher

I do not understand just why this letter is required for Messrs. Fletcher and Stern each have in his possession copies of everything necessary to show the falsity of the publication.

I hope this will serve your purpose.

Very truly yours,

W. S. K. BROWN (signed)

WSEB:RS

W.S.K. BROWN
ATTORNEY AT LAW
RUSS BUILDING
SAN FRANCISCO

December 19 1930

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

Dear Mr. Fletcher:-

I have just received your box of avodacos for which of course I thank you.

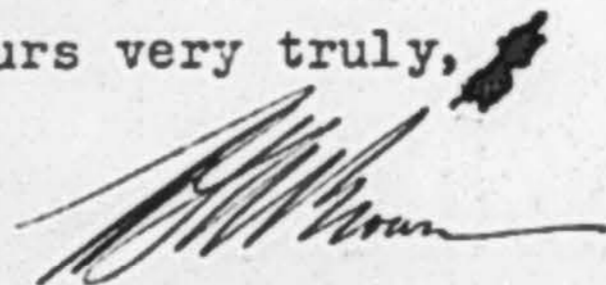
I am taking this occasion to tell you that Mr. Stern wrote me a week or two ago saying that he understood you had a claim against the Murray Estate for \$110,000 on commissions on the sale of the Cuyamaca Water Company and that proceeding was now pending in the estate matter; all of which he asked me to confirm.

Inasmuch as we had correspondence on that point and I had advised you upon your request for such advice that you would better inform your partner of all details surrounding the sale of Cuyamaca, I saw no objection to answering his question and telling him the facts. I told him you were not to receive any such commission but were to have the return of your promissory note which note at that time was of considerably less value than its face.

I presume Mr. Stern has corresponded to you on the point before this.

Wishing you the compliments of the season, I remain

Yours very truly,



WSKB:B

W.S.K. BROWN
ATTORNEY AT LAW
RUSS BUILDING
SAN FRANCISCO

February 6 1931

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

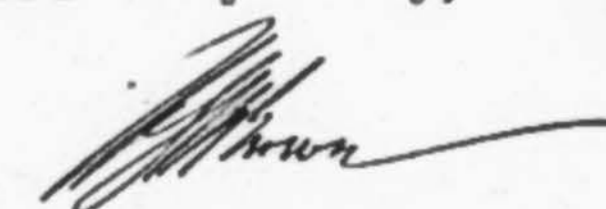
Dear Mr. Fletcher:-

In order that you might be as fully advised as Mr. Stern I enclose with this copy of a letter received from him January 30th 1931 together with copy of my reply.

I am not justified in withholding from Mr. Stern any information surrounding the transaction. You have a carbon copy of a statement signed by each of us on March 17th 1927 which sets up all the facts surrounding the surrender of this note. You should refresh your memory by examining this statement for in it the note is directly and positively referred to as a commission. If you cannot find your copy I will send you one.

I suggest you take the correspondence to your attorney and move no further in this matter except as he directs. No doubt Mr. Stern expects to move against you. I will of course preserve the equities and make available to your attorney all information afforded Mr. Stern.

Yours very truly,



WSKB:B

COPY

CHARLES F. STERN
Suite 1225 Los Angeles Stock Exchange Building
639 South Spring St.
Los Angeles, California

January 30, 1931

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

Dear Mr. Brown:-

Your letter of December 29th in answer to mine of December 23rd has remained on my desk by no means neglected. In the interval I have had an examination made of my complete files covering the business of the Cuyamaca Water Company and my relations with Colonel Fletcher from the beginning and I have investigated the contents of the confidential papers which I have kept in my safe deposit box; this in order that I might accurately answer your inquiry. I find in these files documentary evidence to every material point and my understanding thereof with Colonel Fletcher; it was our practice to make a complete record of them.

You ask me "Did Mr. Fletcher at the time this transaction was in process of consummation, disclose to you the fact that he was to receive back as a commission his promissory note in the sum of \$85,000?" My files disclose no reference to a commission of any kind to be received by anybody or in any amount; there is no discussion therein of any commission. The contract which Colonel Fletcher and I entered into with you as representative of the estate of James Murray makes no provision for a commission of any kind to anybody. Until very recently I was not aware that any commission had been paid or collected.

I have searched my memory and I recall one conversation with Colonel Fletcher which I assume has a bearing upon this matter. Many months subsequent to the execution of the contract by Colonel Fletcher and myself for the purchase of the Murray interest in Cuyamaca and subsequent to the consummation of the sale to the La Mesa, Lemon Grove and Spring Valley Irrigation District, I had a brief and casual conversation with the Colonel the substance of which was that if I had no objection the Colonel could recover some paper of his held by the Murray Estate as an incident to this deal. 'Commission' was not mentioned - the matter was treated very casually and the only impression I got was first, that the Murray Estate held some obligation of the Colonel's which was to all intents and purposes null and void and which there was no thought on the part of Mr. Murray or his successors of collecting, and second, that the amount

- 2 -

was quite inconsequential.

Colonel Fletcher writes me that you have told him of my correspondence with you, which is entirely in order so far as I am concerned. I am very fond of Colonel Fletcher personally and I am quite confident and hopeful that we can adjust any differences that may arise between us to our mutual satisfaction. I think, however, that neither he nor you would care to take the position that I am not entitled to all of the facts surrounding a transaction in which I was an equal partner with the Colonel and toward the consummation of which I supplied the necessary money and credit.

Let me say at this point that I have taken such steps as suggested themselves to me to ascertain whether Senator Flint, who was my confidential advisor at that time as you are aware, knew anything about a commission, and I am satisfied that he did not.

As I think I said to you in an earlier letter I am now trying to reconcile two figures, one a figure of \$85,000 and the other a figure of \$110,000 which came to me from different sources as being the amount involved in this commission. I would appreciate any additional information as to the circumstances surrounding them.

As I see the matter it is entirely between Colonel Fletcher and myself and should not involve or embarrass you in any particular - certainly the matter does not involve the friendly feeling which I have both for the Colonel and yourself.

Yours very truly,

Charles Stern

W. S. K. BROWN
RUSS BUILDING
ROOM 1225

February 6 1931

Mr. Charles F. Stern,
Los Angeles Stock Exchange Bldg.,
639 South Spring Street,
Los Angeles, California

Dear Mr. Stern:-

You must remember that as an executor I was dealing at arm's length with both you and Mr. Fletcher in the transaction now under scrutiny. Such being the case I would not be justified under any circumstances in withholding from you or Mr. Fletcher, having been informed you were partners, any circumstance surrounding the sale and within my knowledge.

I remember Mr. Fletcher calling upon me while the matter was pending for the special purpose of submitting to me, as he put it "for friendly opinion and advice", the question of his duty to you in disclosing the manner in which his note was to be handled. I told him at the time and confirmed it in writing on December 21st 1923 that he should by all means make full disclosure. He thereafter both in writing and verbally told me he had done so. The following is an extract from the letter just referred to:

You might possibly have referred to what took place between us concerning your explanation to Mr. Stern. In that regard I want you always to bear in mind that our conversation was merely directed to the relations between yourself and Mr. Stern and had nothing whatever to do with the Murray Estate. Insofar as the estate or Mrs. Murray are concerned, the fact always remains that we are returning you your note as a commission on the sale of Cuyamaca. We have nothing whatever to do with the private business between yourself and Mr. Stern. Your analysis of the situation as made to Mr. Stern of course might be satisfactory from your own standpoint, but insofar as we are concerned we are surrendering you this note solely as a commission. I personally look upon the commission as being rather large and am willing that it shall be that large by reason of the interest you have taken in the estate. I have no fault to find with your view of it as you have expressed it to Mr. Stern, that part of it was

Mr. Charles F. Stern

No. 2

February 6 1931

for services.

You will remember we have had a great deal of correspondence on this very point, and I want you to get it clear in your head.

Previously and on November 9th 1923 Mr. Fletcher wrote me to the following effect:

Before Mr. Stern and I ever discussed the question of acquisition of the Cuyamaca System I had told him of the return of the note and my understanding with Mrs. Murray. I find Mr. Stern more than fair and am very much relieved to have the matter adjusted in a satisfactory manner for I don't want under any circumstances to have any misunderstanding with Mr. Stern. He has been a mighty good partner in every way.

Later on and in 1927 the question of this note and its situation with regard to the transaction now being discussed was finally determined; it was then agreed that this note should be surrendered to Mr. Fletcher, upon the full consummation of the transaction, as a commission, and its then value for the purpose of the transaction was fixed at \$100,000; on the last payment for the Cuyamaca Water Company the note was duly surrendered.

In justice to Mr. Fletcher however I must state immediately after the death of Mr. Murray and never thereafter in the slightest degree did he relax his position, that:

First: Mr. Murray had agreed with him he would surrender to Mr. Fletcher this note in consideration of services rendered by Mr. Fletcher to Mr. Murray in the handling of Murray's business in San Diego and elsewhere;

Second: In an interview with Mrs. Murray shortly after the death of her husband Mrs. Murray had repeated the promise and had agreed to surrender the note to Fletcher.

In this latter respect Mr. Fletcher claims to be supported by his wife, Mrs. Fletcher, with whom the writer has never discussed the point.

Mr. Charles F. Stern

No. 3

February 6 1931

Mr. Fletcher having nothing in writing on the point, I as executor refused to recognize the claim with Mr. Fletcher for the return of the note and told him it must be paid. Mrs. Murray likewise stated and does state that she at no time promised to return the note to Mr. Fletcher for services either before or after the death of Mr. Murray but that she did tell him not to worry about it for he would never be unduly pressed and she would so arrange it with the executor if possible.

I know that Mr. Fletcher was active in Mr. Murray's business but know nothing of the arrangement claimed. I do know that after Mr. Murray's death Fletcher's affairs were involved and it was principally but not solely for this reason I placed the note, which had a face value in September 1930 of \$110,781.61 at the sum of \$100,000 as stated. In 1922 or 1923, after looking into his affairs, I told Mr. Fletcher if he could find forty or fifty thousand dollars I would surrender the note; all of course with the approval of the court and the consent of Mrs. Murray the legal owner.

Mr. Fletcher took the position in discussing the matter with me that the return of the note was not a commission but was a method of retiring the obligation in consideration of services rendered. It was needless to say that as executor I could not legally adopt this method of handling the affair but told him he must make such arrangement with you as he saw fit.

There might be other matters in the correspondence which would throw some light on the transaction but what I have given you is the real gist of the affair. I must also say that the note was appraised for Federal Estate tax and State Inheritance tax at \$65,000.

This whole matter is exceedingly troublesome to me although I must concede your right to the information as of course I hold no brief for either you or Mr. Fletcher, though I must acknowledge again that Mr. Fletcher always claimed he had rendered valuable service and the return of the note was his

Mr. Charles F. Stern

No. 4

February 6 1931

compensation.

Upon receipt of your former letter I wrote Mr. Fletcher a short note, as I felt in duty bound to do, advising him of your inquiry. I am also sending him a copy of this letter.

Yours very truly,

WSKB:B
CC

February 12, 1931.

Mr. W. S. K. Brown,
1606 Russ Building,
San Francisco, Calif.

My dear Mr. Brown:

Answering yours of the 6th, I thank you for your full information in relation to Mr. Stern's letter to you of January 30, 1931, and your reply under date of February 6th.

I certainly approve of your attitude in not withholding any information from Mr. Stern.

Regarding the statement which you say was signed on March 17, 1927, it was explained to me that you needed this statement either for income or inheritance tax purposes, I do not remember which, and I signed it purely as an accommodation to you and the Murray estate, because you said it was the only legal way to protect the estate, and you as administrator.

It does not set up all of the facts surrounding the surrender of the note. It allows nothing for the thousands of dollars of service that I was to get when the system was sold, under my understanding with Mr. Murray before his death. It does not set out anything pertaining to Mrs. Murray's promise to me, my services and expenditures in relation thereto in behalf of the estate.

Your letter to me of October 25, 1922 called for no such statement, when you agreed to return the notes in case a sale was made for \$700,000.00, and I signed that paper wholly as an accommodation to Mrs. Murray and the estate.

Mr. Stern has simply forgotten that these matters were taken up with him, both verbally and in writing — the return of these notes and the reason therefor — Mrs. Murray's promise and why it could not be

Page Two

carried out along the lines she planned, and you know the understanding between us in relation thereto. Your letter to me of October 25, 1922 says:

"My dear Colonel Fletcher:

This will refer to the option this day given you to purchase the interest of Mary H. Murray in the Cuyamaca Water Company. It is my understanding that in event this option shall be fully exercised by you then there shall be surrendered to you, without further consideration, your note of date December 30, 1919 for the principal sum of \$85,575.78, payable on demand, with interest at the rate of 7 percent per annum and now a part of the assets of the estate of James A. Murray, deceased.

Yours very truly,
(signed) W. S. K. BROWN

WSEB/W"

I am certainly surprised to read Mr. Stern's letter to you of January 30. Besides time and again discussing this matter with Mr. Stern, before and after the purchase of Mary H. Murray's interest, I have already found copy of the following letters to him.

On November 16, 1923 I wrote Mr. Stern:

"I appreciate your friendly attitude in the matter of the adjustment of my \$85,000 note to the Murray Estate, when the Murray's interest is purchased and paid for."

On October 16, 1925, before we made our final settlement with Mr. Stern, I wrote him, among other things, as follows:

"Brown told me Wednesday that he had not put things over with the inheritance tax men in the way he expected in the matter of the \$85,000 Murray note coming to me. There might be just a possibility of a misunderstanding so when we get out money, or whenever you want to, you and I alone will get out feet under the table together and bring up all these matters.

"As far as I am concerned, I want to be your partner for life, and I hope you feel the same toward me. For that reason, I am trying to be extra careful that there be no misunderstandings, and if there are, I want you to feel that I will go the limit to do the right thing by you, as I know you would do by me."

On October 19, 1925 Stern wrote me as follows:

"My dear Colonel Ed:

"I have before me your letter of October 16th and hasten to reply before either of us loses sleep over a situation that is not going to develop.

"Certainly you and I cannot afford to quarrel and I have enjoyed association with you in a personal way, and I hope to continue it for all of the days that are granted to both of us.

"My statement to you merely stated a fact, namely that there are some details regarding our own settlement which will need to be discussed, etc.

"I am not quite clear what you mean by the \$85,000 Murray note over which Brown seems to have some difficulty with the inheritance tax men. I am quite content, however, to leave that also until we get to it, whatever it may be, etc."

This was before I had made my settlement with Mr. Stern, but after we had given an option of sale to the district, and as I remember it, the district had accepted our offer. Mr. Stern forgot all about the conversation and correspondence about these Murray notes at the beginning, and in discussing the matter with him on a hunting trip I mentioned the Murray notes and he seemed to be vague on the subject. This is the reason that I had the matter up again in black and white.

In our first "dividend" I sent Mr. Stern \$2194.95 more than was due him. This is the statement of our expert accountant, Mr. Wansley, which money Mr. Stern did not return. I paid \$5,000 for the option to you, which I have never been compensated for, either directly or indirectly, and have always considered the option mine. In my final settlement with Mr. Stern I made concessions as a matter of friendship and desire to play the game, and allowed him to keep and not account for the \$2194.95, gave him a half interest in the profits on Mission Gorge No. 3 over and above \$40,000, when sold, and also gave him a one-fourth interest in 800 or 1000 acres of land at Cuyamaca, in which he had never been interested, never put a dollar in and is going to be very valuable property in time.

Enclosed also find copy of Settlement Sheet between Stern and myself dated December 31, 1926; also copy of letter from Eldred & Wansley, public accountants, dated Feb. 17, 1931, all of which is explanatory. These were furnished Mr. Stern by Mr. Wansley, under my instructions.

It goes without saying that I am surprised at Mr. Stern's letter to you under date of January 30, 1931. I told Mr. Stern about the \$85,000 note in his own home in Berkeley before he ever went to Los Angeles. Mr. Stern got from me the amount, \$85,000, at that time. I frankly told him I was in the hands of Mr. Murray. I could not get anything out of Mr. Murray in writing. You know how hard it was to get him to sign anything, and I was absolutely at Mr. Murray's mercy in the matter of his living up to his promises to me.

The former manager I have been informed got \$500.00 a month up to January 1st, 1910 in managing the company. I fought and bled for that company, only got \$200 and \$300 a month part of the time, and no other compensation, nothing but hell. All I had was Mr. Murray's promises to do the right thing by me when the sale of the system was made. I consider my services from 1910 to Mr. Murray's death, together with my services to Mrs. Murray in the Murray Estate worth the return of those notes. There was no obligation on my part to sign the paper that you drew up. I did it as an accommodation to you to help you settle the estate.

I am writing fully to Mr. Stern in relation to this matter. I have lived up to every moral and legal obligation with Mr. Stern. You and I know that the Murray Estate only received its actual investment in the sale of Mr. Murray's interest in the Cuyamaca Water Company for \$700,000. They lost 16 years' interest on the investment.

You wrote me on October 19, 1925 that because of "the close relationship which you bore to Mr. Murray we would give to you much better and easier terms not only as to the purchase price, but as to forbearance

in the way of time than we would to any possible stranger."

On March 20, 1923 Mr. Stern wrote me as follows:

"Under these conditions therefore I think we should offer an interest in Cuyamaca to these gentlemen - - - - - I am well aware that you have been able to secure a buying contract from the Murray Estate at a price probably \$150,000 less than the Murray heirs would sell to any one else; and a great many hundred thousand dollars less than any appraised value of the property."

I am certainly surprised to have Mr. Stern take this subject up again at this time, and hope to have a conference with him at an early date to refresh his memory and make him satisfied.

I thank you for your fairness in writing to Mr. Stern as you did under date of Feb. 6, 1921. I only wish you had dwelt stronger on my services both before and after Mr. Murray's death, but this is not a criticism. I would appreciate a letter from you in return, for I want to retain your confidence and respect. I believe I have it.

Yours sincerely,

EF:KLM

W. B. K. BROWN
ATTORNEY AT LAW
RUBB BUILDING
SAN FRANCISCO

February 16, 1931

Mr. Ed Fletcher
1020 Ninth Street
San Diego, California

Dear Mr. Fletcher:

This will serve as a comment on your letter to Mr. Stern of February 4th, copy of which you sent me. It contains so much matter not quite in accordance with the exact facts that I cannot permit it to go unnoticed. I, of course, know nothing of your conversations with Mr. Murray and so must leave that part of your letter where I find it.

Mrs. Murray has of course repeatedly disputed the statement you again made that she promised to "give" you the note now under discussion. I have said so much on this point heretofore that I will not elaborate.

To read your letter casually it would appear that you were running the Murray estate and that everything which has been accomplished was entirely by your efforts. This, of course, is not anywhere near the fact. I am sure you have not forgotten your first interview with me after Mr. Murray's death in which you made the statement in almost so many words that if Jim Murray ever got hold of your paper you were wrecked; and that if there was anything on earth you could do toward compromising the quarrel and so arrange it that your paper could stay in my hands as executor, you would gladly do it. I know of no time you were sent anywhere by either my authority or Mrs. Murray's except possibly once, and that was to Montana. You always stated to me that you were doing what you could in order to avoid the contingency just mentioned, and also to aid Mrs. Murray especially as you were his surviving partner in the Cuyamaca Water Company; and that you would gladly do this and give any testimony you could without expectation of remuneration. Indeed I could not have used you otherwise for then all you could do to aid the general

-2- Mr. Fletcher

February 16, 1931

issue would be tainted by your interest which would, of course, destroy your value as a witness. I know of no property worth \$50,000.00, or any other sum that you saved to the estate. You did keep very quiet about the mortgage on your office building. That, of course, was in the same category as the other note.

The propositions that you submitted from James E. Murray was never at any time satisfactory, nor were they anywhere near the terms of the ultimate settlement which was negotiated and consummated entirely by me. Mr. Thayer, of course, acted in the matter but everything went through my hands for approval and in fact the terms of the ultimate settlement were entirely dictated by me.

I do not know just what you mean when you say "Mr. Brown recognized my service as a moral obligation if not a legal one." I never at any time recognized either your legal or moral right to receive back without consideration your principal note of \$85,000.00. I, of course, could not dispute your statements that either Mr. Murray or Mrs. Murray had promised to "give" you back these notes. I could find nothing in the record anywhere (and there was much concerning you in Mr. Murray's papers) which would justify such a gift. This was especially so as Mrs. Murray flatly contradicted your statement,

Concerning our income taxes, your note was not "cancelled" but was utilized as a deduction by way of commission which was of course the fact.

I am sorry I have to take such an exact position in the matter but it must be done. I cannot afford to permit such statements to stand uncontradicted. I told you long ago that if you would send me your bill for the expenses of the one trip suggested by Mr. Thayer and myself I would gladly send you a check. In looking back and considering the extremely gentle treatment you have had from the beginning I cannot help but believe you have been amply compensated for any time or money expended by you in the affairs of the Murray estate. I have an active recollection of your statement that you had made a great

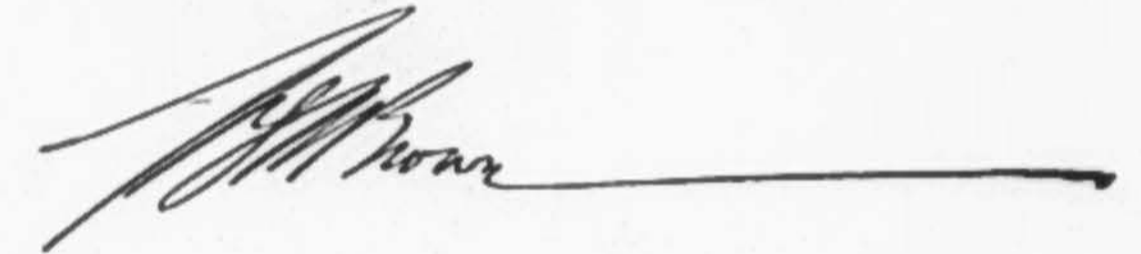
-3- Mr. Fletcher

February 16, 1931

deal of money for Mr. Murray in his lifetime and that he had likewise made a great deal of money for you. If, however, there are any money matters outstanding between us I would like to have them disposed of.

Mr. Stern is not receiving a copy of this letter as I do not feel he is justly entitled to one.

Very truly yours,



WSKB:LF

February 21, 1931.

Mr. W. S. K. Brown,
1608 Russ Building,
San Francisco, California.

My dear Mr. Brown:

I acknowledge receipt of yours of the 16th. I had no intention to hurt your feelings in any way, and if so, I am sorry.

There are certain facts that we can agree to disagree on. Mrs. Murray certainly told both Mrs. Fletcher and my sister Mary, as well as me, that those notes would be returned when she had settled with James E. Murray and the estate, in consideration of past and future services.

I certainly was not running the Murray Estate, and you have every reason to be proud of the way you handled it.

Mrs. Murray had me first report to Mr. Thayer, as I remember it, and soon thereafter you were put in charge. For some time I supposed you knew all about my understanding with Mrs. Murray as to remuneration, etc. You wrote and asked for all of my records, reports, etc. and I sent them to you. I followed your instructions implicitly from beginning to end. If you will examine copies of all reports which I sent you, or the originals, you will find that I did many other things and made other trips beside the one trip to Montana for Mrs. Murray. Please see our exchange of telegrams from Portland on another trip, and my report in relation thereto.

Before going to Portland to meet James E. Murray, you had me come to San Francisco and verbally instructed me to go there and what to do and what things to find out if possible. Everything I did was with no

Page Two

expectancy except the return of my notes, which you eventually returned to me as agreed.

Mr. Brown, please do not let us get into a controversy between ourselves. You have treated me fairly and found a legal way for me to get those notes cancelled. This I shall never forget and fully appreciate what you did. Under no conditions, however, do I want at this late date, to find myself in a position where sixteen years of work in the management and development of that system, including the service I rendered and the money I paid out after Mr. Murray's death to help play the game with Mrs. Murray and the estate, all go for naught.

It is certainly not fair to me, and I do not want to be put in the position by you, or Mr. Stern, of considering the return of those notes purely a commission on the sale of the property, when in reality it was for my services before and after Mr. Murray's death, and according to my understanding with Mrs. Murray.

Mr. Stern never put any money into this deal to exceed \$500. What he did was to secure a loan of \$200,000, but I was on that note with Mr. Stern. My assets were three or four times as much as his at the time the note was signed, and I have carried my part of the responsibility at all times. Mr. Stern did likewise, but at this late date to have this matter brought up is one of the most annoying things of my life. I want Mr. Stern's friendship. I have tried heretofore to satisfy him in every particular and supposed I had. I do not want to be made a victim of circumstances.

I ask you, please, if Mr. Stern takes the matter up with you again, to emphasize my early work in connection with the whole transaction.

Yours sincerely,

EF:KIM

February 21, 1931.

Mr. W. S. K. Brown,
1606 Russ Building,
San Francisco, California.

My dear Mr. Brown:

I acknowledge receipt of yours of the 16th. I had no intention to hurt your feelings in any way, and if so, I am sorry.

There are certain facts that we can agree to disagree on. Mrs. Murray certainly told both Mrs. Fletcher and my sister Mary, as well as me, that those notes would be returned when she had settled with James E. Murray and the estate, in consideration of past and future services.

I certainly was not running the Murray Estate, and you have every reason to be proud of the way you handled it.

Mrs. Murray had me first report to Mr. Thayer, as I remember it, and soon thereafter you were put in charge. For some time I supposed you knew all about my understanding with Mrs. Murray as to remuneration, etc. You wrote and asked for all of my records, reports, etc. and I sent them to you. I followed your instructions implicitly from beginning to end. If you will examine copies of all reports which I sent you, or the originals, you will find that I did many other things and made other trips beside the one trip to Montana for Mrs. Murray. Please see our exchange of telegrams from Portland on another trip, and my report in relation thereto.

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Page Two

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It is certainly not fair to me, and I do not want to be put in the position by you, or Mr. Stern, of considering the return of those notes purely a commission on the sale of the property, when in reality it was for my services before and after Mr. Murray's death, and according to my understanding with Mrs. Murray.

Mr. Stern never put any money into this deal to exceed \$500. What he did was to secure a loan of \$200,000, but I was on that note with Mr. Stern. My assets were three or four times as much as his at the time the note was signed, and I have carried my part of the responsibility at all times. Mr. Stern did likewise, but at this late date to have this matter brought up is one of the most annoying things of my life. I want Mr. Stern's friendship. I have tried heretofore to satisfy him in every particular and supposed I had. I do not want to be made a victim of circumstances.

I ask you, please, if Mr. Stern takes the matter up with you again, to emphasize my early work in connection with the whole transaction.

Yours sincerely,

EF:KLM

W.S.K. BROWN
ATTORNEY AT LAW
RUSS BUILDING
SAN FRANCISCO

February 25, 1931

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

My dear Mr. Fletcher:

This will reply to yours of February 21st.

You did not hurt my feelings in any respect. I wrote as I did merely to have a written record, which seems to be very necessary in this correspondence, disputing the position you took in your letter to Mr. Stern.

When you say I wrote and asked for all "your records", this is not true for I have never asked you for any records of yours. You must remember you were the surviving partner and the legal representative of a deceased partner, and I had the right as a matter of course and of law to everything in your possession bearing upon the partnership or its holdings.

I have already treated of the various journeys you made. I know you often popped in on me when I least expected it without invitation or suggestion of mine, and that at times your efforts seriously embarrassed me.

In the last paragraph on page one of your letter you seem to suggest that I always agreed to return your note, whereas I never under any circumstances made any such agreement except as a commission in the sale of Cuyamaca.

Irrespective of what you say on the last page of that letter, the return of your note was purely, simply and legally a commission paid to you on the consummation of the sale of Cuyamaca. That is my view of it and nothing will ever disturb it. If your note had not been discharged as it was then I infallibly would have collected it in the usual course of administration, and that principally by levying upon your interest in Cuyamaca. You surely cannot have forgotten when Stuart and I were in your office in

-2- E. Fletcher

February 25, 1931.

San Diego in 1922 or 1923 I suggested you transfer to me as executor your interest in Cuyamaca as partial security for this note, but you responded in almost these words, "For God's sake don't ask me to do that." Up to that time, and I have forgotten just how long after that, you had never to me claimed these notes under the theory of services, or for any other reason.

Very truly yours,

WSKB:LBF



W.S.K. BROWN
ATTORNEY AT LAW
RUSS BUILDING
SAN FRANCISCO

February 25, 1931

Mr. Ed Fletcher
1020 Ninth Street
San Diego, California

My dear Mr. Fletcher:

This will answer your letter of February 12th. I reply to yours of the 21st under separate cover.

I wish to say first, and you must not construe what I say as being in the least degree offensive, that I cannot imagine anything less interesting to me than the details of this dispute with your co-divant partner. I am not at all interested in what you said to him and what he said to you and what you replied. Indeed the less I know of it the better I would like it. When this matter was under consummation I stopped you many times in your relation of your affairs with Mr. Stern; of course for the reason that if it ever came to a dispute between us I was bound to utilize every bit of information I had, and I did not wish you to betray any of the affairs of your so-called partnership with Mr. Stern. Be good enough therefore not to encumber our own record with matters which are pertinent only between yourself and Mr. Stern.

Your remarks pertaining to the statement of March 17 1927 are not in any degree in consonance with the facts. I had to have some record showing the disposition of your note and the manner in which the commission was paid; in that respect only did it have a bearing on income tax matters. It had nothing whatever to do with the inheritance tax but was drafted and executed principally, if not solely and exclusively, for the purpose of laying the ghost concerning this note and settling forever the claims you were asserting concerning it. You had made so many statements as to what both Mr. Murray and Mrs. Murray had said concerning this note, none of which were supported in my office or by anything in the records of Mr. Murray nor by the confirmation of Mrs. Murray, that I felt it my duty to reduce the matter to writing. With my client dead and his mouth stopped and

-2- E.Fletcher

February 25, 1931

all of us deprived of his version of his business matters with you, I was compelled as executor to view the matter rather coldly. You were not the only person who asserted claims against the estate for which I could find no support. This was particularly embarrassing to me for Mr. Murray kept many records and made many notes concerning which the people with whom he was doing business knew nothing.

Taking your statements at their best I could see no service rendered by you worth \$110,000. On the contrary I know Mr. Murray was an instrument by which you profited a great deal, and for this I have your own word.

Please, therefore, do not again assert "I signed it purely as an accommodation to you and the Murray estate because you said" (which I did not say, and on this point join direct issue with you) "it was the only legal way to protect the estate and you as administrator."

The statement does set up the pertinent facts surrounding the note, what you say to the contrary notwithstanding. Concerning your service rendered to Mr. Murray and his alleged promises to you we know nothing, and frankly are very skeptical concerning them. What you say concerning Mrs. Murray's alleged promises are vigorously disputed by her.

Concerning the service to the estate and the moneys you spent in travelling, I repeat what I said before that you were desperately afraid for your own sake that your paper should get into the hands of Jim Murray; and I repeat also that you made one trip at my suggestion, but only after you had asserted unbounded confidence in the fact that you could by that trip settle all disputes with the heirs. The trip of course was fruitless and no benefit derived from it. Nevertheless I have always been willing to pay your expenses on that trip although I have in writing your statement of the great kindness and forbearance exercised towards you by Mrs. Murray and myself. Where would you have been if I had instituted action to foreclose the mortgage on the Fourth Street property and collected the note now in dispute? You told both Stuart and myself that it would have driven you into bankruptcy, and from an examination of your affairs which I made it would appear the statement was true.

-3- E.Fletcher

February 25, 1931

Please permit this letter and the one which accompanies it to close the correspondence concerning this note. I am tired of interminably briefing the same question, and if you insist on troubling me with this fruitless controversy and placing yourself in a position so antagonistic to Mrs. Murray, I shall be compelled to terminate all business relations with you and to ask my clients to do the same. I trust you know when to stop.

Very truly yours,



WSKB:LBF

Murray

April Third,
1931

Mr. W. S. K. Brown,
1606 Russ Bldg.,
San Francisco, Calif.

My dear Mr. Brown:

Under date of April second I have received from Mr. Stern the following letter:

On the first of June, 1923, he entered into a contract to buy the Murray Estate 5/6th interest for \$700,000, \$5,000 having been paid down by you. The terms were as follows:

Payment of the first year's interest at the time of the signing of the contract;

Payment June 1, 1924 of \$145,000 on principal;
Payment June 1, 1926 of \$150,000 on principal;
Payment June 1, 1928 of \$400,000 on principal;

All deferred payments were to bear interest at 6%.

You may recall that in the last few minutes of the discussion of the contract, in which Senator Flint, Brown, you and I participated, I suggested that we were entitled to a discount on any payments that we made before their due date. This discount was written into the contract at 5% per annum.

At the time that we paid Brown off, i.e. January 1926, we owed on the contract \$550,000 on the original schedule, independent of minor adjustments as to interest, earnings, etc. From Wansley's settlement sheet dated December 31, 1926 it appears that we took a discount of \$27,500, which is exactly 5% on \$550,000.

In accordance with the terms of the contract we should have taken 5% per annum, not 5% flat discount. Assuming that we settle as of January 1, 1926 this would mean 5% on \$150,000 for five months and 5% on \$400,000 for twenty-nine months. As I figure it this discount amounted to \$51,458.33; in other words we short-changed ourselves

\$24,000. Simple interest on this figure for five years amounts to \$7,500. I assume we would be tickled to get the original \$24,000 and waive the interest. Unless there is something in those settlement sheets that I haven't found or do not understand I think that Wansley will immediately agree with me on these figures. The entire question hinges on the two little words "per annum" which apparently were overlooked in the settlement.

It runs in my mind that some time during the period of that contract when you were up here I pointed out what that 5% meant and we got the contract out and looked at it and I told you that if we made the deal with the city which we then had in mind some time in 1925 we would have a discount coming of something in excess of \$60,000. The thing was perfectly clear in my mind."

It was my recollection that you and Stern, by telephone, discussed this question before you wired the amount to the Southern Title and Trust Company.

Please let me know what are the facts in the matter and whether Sterns contention is right or not.

With kind personal regards,

Very sincerely yours,

EF:ASK

W.S.K. BROWN
ATTORNEY AT LAW
RUSS BUILDING
SAN FRANCISCO

April 10 1931

Mr. Ed Fletcher
1020 Ninth Street
San Diego, California

Dear Mr. Fletcher:

This will reply to yours of April 3.

Upon such a mere surmise as Stern raises and without anything further to go on, I am certainly unwilling to delve again through those hairy records. If either you or Stern will put the matter in a more formal and detailed form I will give it consideration. In the meantime I am much too busy to consider the matter in its present shape.

Stern is in gross error when he states it was at his suggestion the discount clause was written into the contract. This advantage was offered entirely, wholly and completely by me, principally for the reason that we were in need of ready money to pay large federal estate taxes then bearing interest, and any discount we allowed you would have been more than offset by the saving of interest to the Government. This suggestion was made to you by me a few days before the making of the contract, and was repeated by me afterwards. Stern had nothing whatever to do with it.

Very truly yours,



WSKB:LBF

ent.

Murray

August 31, 1931.

Mr. W. S. K. Brown;
Russ Building,
San Francisco, California.

My dear Mr. Brown:

I am still having controversy with Mr. Stern. Miss May, my secretary, has dug up a lot of correspondence that I could not find. My sister had charge of it. She has been away since a year ago last May. Then we have moved our office, and it was only a few days ago that Miss May found some more correspondence which I believe will convince you that I have in every way lived up to my moral and legal obligations to Mr. Stern.

I am sending you copy of my letter to Mr. Stern of Oct. 16, 1925 and his reply dated Oct. 19, 1925. Also my letter of January 22, 1926, dictated to Mr. Stern's secretary in Mr. Stern's office, also his letter of same date and my reply of January 26, 1926.

✓ I also am attaching copy of my letter of April 1st, 1927 transferring to Mr. Stern a quarter interest in 800 or 900 acres of land. Mr. Stern's reply of April 5, 1927 and my reply of April 6, 1927. ✓

I am still looking for other correspondence on this subject that I remember having written but which I have been unable to find.

As Mr. Stern has been in conference with you on this subject, and because I value your confidence and respect greatly, I want you to know and feel that I have lived up to every moral and legal obligation to Mr. Stern.

Yours sincerely,

EF:KLM

W.S.K. BROWN
ATTORNEY AT LAW
RUSS BUILDING
SAN FRANCISCO

September 8 1931

Mr. Ed Fletcher
1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:

I have just received yours of August 31st.

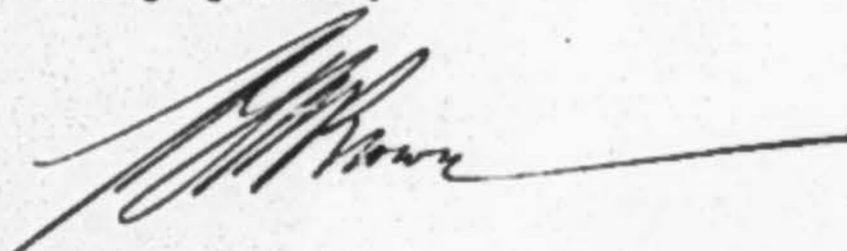
I can't make much out of the enclosures you have sent me as I don't know just what you and Stern are squabbling about.

If you will let me know Stern's contention I will read them over again, including the ones you sent me recently, and see if I can throw any light on it.

Stern now being out of a job he is of course scrutinizing everything he did for the purpose I presume of digging up sleepers. I have not heard anything from him for sometime concerning the imaginary sum he claimed Mrs. Murray owed on the Cuyamaca deal. A man should always investigate carefully before he raises money questions- otherwise he becomes very tiresome.

You are in error that Mr. Stern has been in conference with me. The only word I have had from him was in the correspondence between us sometime ago, of which you have been advised. I have not seen him personally nor heard from him for sometime.

Very truly yours,



WSKB:LBF

September 11, 1931.

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

My dear Mr. Brown:

Answering yours of the 8th, Mr. Stern's contention is that he never knew about the Murray notes being returned to me until last year. This, of course, is a mistake. Mr. Stern was told all about the Murray notes, in the presence of Mrs. Fletcher, when he still lived in Berkeley, as well as Mrs. Murray's promise to me.

When you later informed me that the notes were not Mrs. Murray's but belonged to the estate I explained it all to Mr. Stern the next day when I was in Los Angeles on my return home. There was correspondence in connection with it also way back in 1928 and when you returned the notes the matter was fully explained to Mr. Stern.

As you will see by the correspondence sent you, Mr. Stern was made completely satisfied by a transfer of certain possible equities in Mission Gorge No. 3, which was my own personal property and in which Mr. Stern never participated or had any interest, for which he will probably receive at least \$25,000.00, eventually.

Then again to satisfy him regarding the Murray notes, I gave him a quarter interest in 800 or 900 acres of land that should eventually bring in another \$25,000 or \$35,000. I thought everything was absolutely settled satisfactory to him until a few months ago he made another kick.

What I gave him was entirely voluntary.

Mr. Stern put less than \$500.00 into the project in cash. We jointly borrowed the money to carry on, approximately \$200,000. My financial statement was four or five times the amount of his in value, at the time the money was borrowed, but it is very doubtful if the money could have been borrowed except thru him. Mr. Stern knew we would have to borrow the money before he signed up any agreement with me.

Already he has been paid in cash dividends amounting to \$65,992.79, and he has, under the contract with the city \$55,003.26 still coming to him, including interest. In addition he has 5/11ths interest in a number of properties, and in my opinion will get anywhere from \$200,000 to \$250,000 eventually from his \$500 investment.

I have tried to satisfy him, and hope some day to be able.

Thanking you for your kind interest in the matter, I am

Sincerely yours,

BF:KLM

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STANDARD TIME
INDICATED ON THIS MESSAGE

Postal Telegraph

THE INTERNATIONAL SYSTEM

Commercial Cable
Mackay Radio
All America Cable



This is a full rate Telegram, Cablegram or Radiogram unless otherwise indicated by signal in the check or in the address.

DL	DAY LETTER	
NL	NIGHT LETTER	
DM	NIGHT MESSAGE	
LC	DEFERRED CABLE	
NLY	NIGHT CABLE LETTER	
NLY	NIGHT CABLE LETTER	
	Submarine	

POSTAL TELEGRAPH - COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT

TELEGRAM

CLASS OF SERVICE DESIRED	
FAST TELEGRAM	
DAY LETTER	X
NIGHT TELEGRAM	
NIGHT LETTER	

The sender must mark an X opposite the class of service desired; otherwise the telegram will be transmitted as a fast telegram.

TELEGRAMS
TO ALL
AMERICA



CABLEGRAMS
TO ALL
THE WORLD

RECEIVER'S NUMBER

CHECK

TIME FILED

STANDARD TIME

FORM 16

S261 52 NL=RB SANFRANCISCO CALIF 15

ED FLETCHER=

1020 NINTH AVE SANDIEGO CALIF=

ONE FEB 15 PM 9 14

COUNSEL FOR INCOME TAX UNIT HAS ASKED ME FOR COPIES OF CONTRACTS CONCERNING NOTE GIVEN YOU AS COMMISSION AND I FEEL THEY CANNOT BE WITHHELD STOP PLEASE LET ME HAVE YOUR VIEWS BUT ONLY AFTER READING OUR MEMORANDA OF MARCH SEVENTEENTH NINETEEN TWENTY SEVEN SETTING UP OUR JOINT UNDERSTANDING CONCERNING THE NOTE=

W S K BROWN.

Form 2

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

San Diego, California, Feb. 16, 1932

W. S. K. Brown,
Russ Building,
San Francisco, California

Telegram February fifteenth received. Certainly have no objection to your furnishing any data to government so long as you furnish all of it stop. Please furnish at same time ~~of~~ original option ^{and} your letter regarding delivery of notes to me given at the same time as the option

ED FLETCHER

Chg Fletcher Co

Miss May:

These are important letters.

E.F.

W.S.K. BROWN
ATTORNEY AT LAW
RUSS BUILDING
SAN FRANCISCO

February 23 1932

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

My dear Mr. Fletcher:

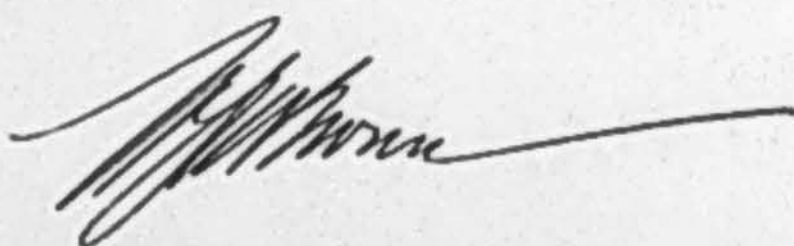
Some time ago you wrote suggesting we join in the prosecution of an attack on the Mattoon Act and pay a fee depending on success. I have not had time to give this any thought, but meantime will say I am inclined to join on that basis. This however is not a firm consent but I will write you a little later on.

I have received your clippings and they are interesting. As a rule I fear the Greeks bearing gifts and am sure the Bond Company has some private motive in aiding the segregation of the several responsible under the Mattoon Act. As the matter stands they are in as bad shape, if not worse, than the property owners and I hesitate in lending my aid to anything that will benefit them. I have not the slightest doubt in the world that as soon as these rights are segregated you may expect an action to foreclose the bonds. I am much more in favor of an attack upon the Act itself, providing there is any chance of success.

On Thursday I gave the representative of the Income Tax Unit copies of the original option, my letter to you which accompanied it, the contract between yourself and Stern, and the memorandum agreement between yourself and me concerning the delivery of the note to you as a commission. I hope you do not have trouble.

Very truly yours,

WSKB:LBF



February Twenty-sixth
1 9 3 2

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

My dear Mr. Brown:

Answering yours of the twenty-third I feel you make a mistake if you do not join in to knock out the Mattoon Act itself.

I agree with you that the bond company may be bearing gifts as you say.

They will rush this thru the Supreme Court in an attempt to get a settlement with us before the following questions are settled.

1st. The constitutionality of the act its lf.

2nd. The rights of the irrigation district as against the Mattoon Act obligations.

I will keep you posted on how things go and have asked Mr. Chandler to write you further on Mattoon Act subscription.

I thank you for hoping that I do not have trouble with the government. I can only reiterate what I have already said in relation thereto of my understanding with Mrs. Murray.

I was to receive the return of the notes for services rendered in the past and to be rendered to Mrs. Murray. I, in no sense, at any time, ever looked upon it as a commission as you well know and only signed it as an accommodation to the Murray Estate. I was in no way obligated to sign the memorandum agreement between yourself and me that you mention. I certainly hope it will turn out all right, for both of us.

Yours very truly,

EF:ASK

W.S.K. BROWN
ATTORNEY AT LAW
RUSS BUILDING
SAN FRANCISCO

February 29 1932

Mr. Ed Fletcher
1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:

This will reply to a part of your letter of February 26th.

I cannot permit the last paragraph of your letter to remain unanswered. I do not agree with you that the memorandum was signed as an accommodation to the Murray estate. Quite the contrary is the fact. You made so many statements concerning this note which were disputed by Mrs. Murray I required a more definite understanding in writing. This was dictated in your presence and acquiesced in fully. I do not know what you mean by "an accommodation to the Murray estate". I would never have surrendered you this note and would unquestionably have collected it as I was required to do under the law. I was not at all concerned with any understanding between yourself and Mr. Stern. You say you were not obligated to sign the memorandum agreement, but if you had not I certainly would have sued on the note. I so informed you many, many times, and I resent being brought into any controversy between yourself and the Government.

What do you mean by saying "I certainly hope it will turn out al(sic)right for both of us"? I am writing today to ascertain if you have in any manner involved the integrity of my own income returns, in this particular proceeding. If so I shall ask the privilege of intervening and presenting the matter in its proper light. I am saying this in order that you might govern yourself accordingly.

WSKB:LBF



March 2, 1932.

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

My dear Mr. Brown:

Answering your letter of February 29th, I am sending you a copy of your letter to me of October 25, 1922 which had no conditions, as you see, attached to it, and it was wholly voluntary as an accommodation to the Murray Estate that I signed the other papers, without any thought that they would ever be used against me.

So far as I know the question of the notes received back from the Murray Estate by me are not a part of any active issue between me and the government, and I certainly have made no statements that attacked the integrity of your income tax return.

My original correspondence with you upon this point was in connection with my recent discussions with Mr. Stern, as you will remember. So far as I know the recent investigations in San Francisco in connection with this matter have nothing to do with my returns. If the matter ever comes to an active issue I will inform you.

Yours sincerely,

ef:m
"

November 19, 1932

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

My dear Mr. Brown:

I am still scrapping with Stern. Enclosed find copy of letter that Sloane wrote me that may interest you. I have sent the original to Mr. Stern. 11/17/32

In addition to what Mr. Sloane has said I have copies of at least three or four letters between 1922 and 1927 written to Mr. Stern which verifies my position absolutely. I want you to know that I am looking for no quarrel with you in this matter, and want your friendship and cooperation, as far as you can go consistent with your position as executor of the Murray Estate.

Now that the heat of battle is over, and owing to the entirely different tone and attitude of Mr. Stern in his recent letters, I feel that we will reach a compromise that will be fair to all parties in interest, but for the last two years it has been granite versus granite, I am sorry to say.

By the way, everything has gone to pot down here. I have been as hard up as anyone can be for ready money the last three years, and times have been terrible down here. I have not been able to live up to a lot of my obligations or pay a large share of my taxes. But there is a slight movement for the better in real estate. I had an inquiry from a man for Lot 200 of Grossmont. We were supposed to have bought this property, but I could not pay the interest, let alone principal. Would you consider a change in price for Lots 200 to 205 inclusive, say \$2500 net to you, and I lose the \$750.00 I have already paid, if I could work up a sale and make another substantial payment of \$500 to \$1,000.

There is just a possibility I might move one or two of these lots, and give you a substantial payment, paying not less than \$500 down and \$500 a year, with 7 percent interest with a reasonable release clause. Real estate has gone down here 75 percent on an average.

I am sending you some of our new crop of avocados. Also some to Mrs. Murray and Stuart, as I know you like them so well, and it is a pleasure to send them. Are any of your avocado trees growing? Over at Piedmont the trees that I sent up there are growing and bearing fruit.

Sincerely yours,

EF:KLM

W.S.K. BROWN
Attorney at Law
Russ Building
San Francisco

November 21, 1932

Mr. Ed Fletcher
1020 Ninth Avenue
San Diego, California

Dear Mr. Fletcher:

I have your note of the 19th concerning Mr. Stern.

I don't know what you mean by "I want you to know I am looking for no quarrel with you in this matter," for it is impossible for you to create any privity between myself, yourself, and Mr. Stern with reference to the hundred thousand dollar note. The record is very clear as to the treatment of this obligation.

I hope things will work out to your advantage for I know you are always busy and not lazy. It is too bad you and Stern cannot settle your affairs.

With best personal regards, I remain

Very truly yours,

W. S. K. BROWN

WSKB:LBF

*This does not seem to
be unfriendly toward you.
It is friendly toward
Brown, primarily.*

HSS

ENCLOSURE

**Enclosed find settlement Sheet between Mr. Stern and myself,
sent to Mr. Stern by registered mail by our accountant, Mr. Wansley,
which is fully explanatory.**

E.F.
I have been advised by Mr. Stern that the settlement sheet
which I have enclosed is correct and that he has no objection
to the same.

I have also enclosed a copy of the settlement sheet
which I have prepared for Mr. Stern's review. I have
also enclosed a copy of the settlement sheet which I have
prepared for Mr. Stern's review. I have also enclosed
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Very truly yours,
E. F. Stern
Mr. E. F. Stern

January Twenty-fifth
1 9 3 3

Mr. W. S. K. Brown
1606 Russ Building
San Francisco, California

My dear Mr. Brown:

The Municipal Bond Company thru Mr. Hall today over the 'phone definitely offered to waive all interest and accept 50¢ on the dollar for the A. & I. D. #19 bonds, Murray Hill and Fletcher Hills. I told him I would submit the matter to Mr. Haldorn and yourself for your consideration.

I could not pay 50¢ on the dollar today if I wanted to.

We are making a settlement on the Villa Caro bond issue along the following lines: Land just adjoining Murray Hill on the east in which you are not interested at all. The settlement, if it goes thru, means that we get back about one-third of our property with the improvements all in and paid for with the bonds extinguished.

The situation is a little different however, in that the improvements cost \$1500 an acre while in A. & I. D. #19 in which the Murray Estate, Murray Acres and Fletcher Hills is involved, the cost of the improvements is around \$400 an acre.

I believe the time will come when we can settle on some such basis in A. & I. D. #19. If we can save one-third of our property with the improvements all paid for the Matoon Act bonds cancelled I think it would be a mighty good settlement. What do you think about it? Shall we work to that end?

I have sent a copy of this letter to Mr. Haldorn.

Yours very truly,

EF:ASK

February Twent-sixth
1 9 3 3

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

My dear Mr. Brown:

Answering your letter of February 17th to Mr. Sloane.

I appreciate your friendly attitude in the matter more than I can say.

I can only repeat, I concealed absolutely nothing from him. Mrs. Murray did tell me that she would give me back those notes if I would help her out. She said she had them, that Mr. Murray had given them to her. I supposed they were properly assigned.

You did your duty when you found out they were assets of the estate. I told Mr. Stern immediately that some how, some way you and Mrs. Murray would try to find a way legally to get me back those notes.

I bought the property for less than the actual cash invested by James A. Murray. I told Stern immediately when I found out that the notes were an asset of the Murray Estate and never concealed anything from him. I told him bluntly that some legal way would have to be found by you to handle the matter and I don't see how you could have handled it any other way than you did for the interests of the Murray estate who alone you were representing.

However, I have compromised the matter with Stern rather than have litigation but I don't feel right about it. I never shall.

I found out recently when Stern told my son that he has kept a record of every conversation we have had since the contract was signed between Stern, Fletcher and Murray estate.

I always assumed the option was mine when I paid my own \$5000 but Stern had a lawyer to protect him and I didn't and the way it was worded it gave Stern an interest in the original option which I entirely overlooked being fool enough not to have my attorney draw up the proper papers instead of leaving it to just an exchange of letters. Stern out-smarted me but nevertheless I am so happy to know that you do not question my sincerity and it is a pleasure to call you a friend.

January Twenty-Fifth
1 3 3

Mr. W. B. Brown
1608 Russ Building
San Francisco, California

My dear Mr. Brown:

The Municipal Bond Company that Mr. Hill today
over the phone definitely offered to give all interest and accretions
80¢ on the dollar for the A. & I. D. 19 bonds, Murray Hill and
Fletcher Hills. I told him I would submit the matter to Mr. Halderman
and yourself for your consideration.

I could not pay 80¢ on the dollar today if I wanted
to.

We are making a settlement on the Villa Caro bond
issue along the following lines: I am just adjoining Murray Hill
on the east in which you are not interested at all. The settlement
if it goes thru, means that we get back about one-third of our property
with the improvements all in and paid for with the bonds extinguished.

The situation is a little different however, in that
the improvements cost \$1500 an acre while in A. & I. D. 19 in which
the Murray Estate, Murray Acres and Fletcher Hills is involved, the
cost of the improvements is around \$400 an acre.

I believe the time will come when we can settle
on some such basis in A. & I. D. 19. If we can save one-third of
our property with the improvements all paid for the Nation A.C.
bonds cancelled I think it would be a mighty good settlement.
What do you think about it? Shall we work to that end?

I have sent a copy of this letter to Mr. Halderman.

Yours very truly,

EF:ASK

Don't forget the next time you are coming south we are
going to have a good time together. I have already a permit from Governor
Olachea which gives me possession of all of Lower California and I can
violate any law I want to expecting murder to come on.

With kind personal regards.

Sincerely yours,

I am writing you this letter to tell you that I have
just received your letter of the 15th and I am glad to hear
from you and to hear that you are still in the country.

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to hear from you and to hear that you are still in the country.

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Ed Fletcher Papers

1870-1955

MSS.81

Box: 3 Folder: 5

General Correspondence - Brown, W.S.K - 1927-1933



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