

Miss May
File

March 6, 1925.

TO WHOM IT MAY CONCERN:

I, C. O. HARBELL, under oath, confirm the following as the actual facts in relation to matters hereafter referred to:

In May, 1923, I needed \$5,000 to finance myself. I could borrow it nowhere else, and at last went to Col. Ed Fletcher and made him of my own volition, without any suggestion from him the following offer: That if he would lend me \$5,000 I would give as security a trust deed to my property, subject to a certain first mortgage already existing, and would also assign to him my insurance policy. In addition, on my own initiative I offered him the riparian rights on the San Pasqual River which instrument was later executed and put of record. The above water right agreement being a bonus which I offered as an additional inducement to make the loan.

Col. Fletcher arranged thru the Morse Construction Company, with Mary E. Fletcher, to make the loan, which was made on October 5, 1923, and I transferred the water right agreement to Col. Fletcher as per my offer.

I further certify that at that time I asked Col. Fletcher the value of my water rights which I transferred to him, and before the loan was made Col. Fletcher stated that, in his opinion, their value was approximately \$3,000. I wanted this information because I had been negotiating the sale of the property without the water rights, to others.

Col. Fletcher stated in our initial interview, that before he would do anything he would take the matter up with the water company and see whether they wanted it or not. Some few weeks later he said he would take it himself as the water company was not interested.

After this deal was consummated and in the fall of 1923, I called Col. Fletcher's attention to the fact that the San Pasqual Ranch could be bought at a low figure, that the price had never been less than \$100,000, and if Col. Fletcher, or anyone else he might interest, desired the ranch, now was the time to buy it. I had explained to Col. Fletcher that for sometime I had been manager of the San Pasqual Ranch, and knew personally everyone of the stockholders and felt I could buy it cheaper than anyone else. In fact, the stockholders of the San Pasqual Ranch Company suggested that I interest capital to back me in the acquisition of the property.

The latter part of October, 1923, Col. Fletcher told me to go up to Santa Ana and see the president of the San Pasqual Ranch Company and see what the ranch could be bought for by me, the lowest possible figure, and if the ranch could be bought for \$100,000 or less, for me to make a small payment down and take an option. There was no definite agreement made at that time, or even discussed as to what my compensation or profit was to be for rendering this service, but Col. Fletcher said he would do

the fair thing.

I went to Santa Ana, did the best I could in the matter of negotiation, and put up \$100.00 of my own money, in my own name for an option on this property, purchasing same for the sum of \$80,000, including the personal property.

On my return I reported to Col. Fletcher what I had done and it was agreed that he would purchase the property for \$85,000, I reserving the personal property and paying Colonel Fletcher \$4,000 commission for the sale. Agreements were entered into on this basis in writing, and the option exercised by Col. Fletcher.

I secured a number of extensions from time to time for Col. Fletcher, but eventually all the money was paid according to the terms of the agreement and the deed recorded and mortgage for the deferred payments executed. I paid Col. Fletcher \$4,000 commission, according to agreement, but neither directly nor indirectly have I paid him a dollar more in relation to the San Pasqual Ranch.

I am positive, and can get written assurance from the San Pasqual Ranch people that I bought that ranch for a great deal less than anyone else could have purchased it, and in my opinion, \$30,000 or \$40,000 less than if Col. Fletcher had gone to the San Pasqual Ranch Co. and tried to buy it direct. This can be verified by writing J. E. Gowen, the secretary of the San Pasqual Ranch Co., who furnished the above information.

A short time later Col. Fletcher authorized me to get an option on the Pratt ranch, which I did, for the sum of \$22,500.00, including the personal property. This ranch had never been offered for less than \$25,000, to my knowledge, and this can be confirmed by writing H. B. Pratt, Escondido; but, being a neighbor and friend, I believe I was able to purchase this ranch cheaper than any other person. Mr. Pratt had no idea I was purchasing the property for Col. Fletcher, and I believe had an idea it meant another dairyman in the valley if the sale of his property was made.

I told Col. Fletcher just what I had paid both for the San Pasqual Ranch and Pratt ranches. Col. Fletcher recognized that I had rendered a service and felt that I should be well compensated.

After I secured with my own money the option on the Pratt place, we agreed that the price of the Pratt ranch should be \$23,500, that I would pay Col. Fletcher \$1,000 commission, my profit on the transaction being the personal property on the Pratt ranch. The agreement was drawn to that effect, and the ranch eventually sold. I paid Col. Fletcher \$1,000 commission according to my agreement.

Col. Fletcher asked me next to get an option on the Wood ranch. I worked for two or three months in trying to secure an option at a reasonable figure. They asked at one time \$70,000 for the entire tract. After months of negotiation, Mrs. Wood's son walked into Col. Fletcher's office, on his own initiative and made Col. Fletcher a price as low as I could purchase, i.e.

\$55,000. Col. Fletcher, when he found this out immediately closed with Mr. Wood direct, and told me as I could make no saving in the purchase of the property over what he could do, there would be no compensation to me for any services on my part in an attempt to buy the Wood's ranch, and I never received any.

At about the same time as the Pratt deal, Col. Fletcher asked me for a price on my own ranch. I had always been holding it around \$30,000, but Col. Fletcher eventually got me to make a price of \$25,000, and I agreed to pay him a commission of \$1250.00. The option was given and the deal consummated.

I gave to Col. Fletcher an option to purchase my ranch, forgetting that he had the water rights to the land. Col. Fletcher assures me that at the time he had no thought of it, and I believe him. But later, after I had contracted to sell my ranch to Col. Fletcher, in discussing the matter, I agreed to pay him \$1,000 to wipe out my water right agreement with him. I also agreed to give him one-half of the personal property and asked him to join with me in creating a good dairy and furnishing milk to P. M. Dairy. Col. Fletcher promised to use every effort possible to secure a contract from the P. M. Dairy and finally succeeded altho it took several months to do so. Without his support I never would have been able to secure a contract from the P. M. Dairy.

In the meantime it was so hard to secure a satisfactory contract we finally abandoned the idea, and I never transferred to Fletcher the one-half interest in the personal property, but retained it myself.

On my own initiative, and without Col. Fletcher's knowledge, I held a public auction and disposed of part of the personal property, as the equipment was dilapidated and I had no use for it, and it would not have paid to keep the stock that I sold, as it was old and I did not need it.

Late in August, or early in September, Senator Wright asked me to get a quitclaim deed to clear Mr. Pratt's property, that a Torrence title had been promised by Mr. Pratt but this title was defective. I went to Los Angeles and got from these parties said quitclaim deed, which Mr. Pratt would not get. While in Los Angeles I telephoned Mr. Treanor and told him I had secured the quitclaim deed and he asked me to come up and see him about some other matters in connection with the deal. At that meeting I explained the entire deal as outlined above, telling the exact facts.

To the best of my recollection Mr. Stevens said, "You are just a dummy in this matter", and at this meeting I first found out that these people to whom Col. Fletcher had sold the property were of the opinion that they were not getting a square deal. I answered Mr. Stevens that I may be a dummy because I could not have bought the property unless they were going to be taken off my hands, but I had Col. Fletcher's personal assurance from the beginning that I would be given a reasonable profit, or compensation for my services and I certainly rendered that service. Col. Fletcher lived up to his agreement with me in every particular.

Col. Fletcher never received from me, directly, nor indirectly, one dollar of the \$1,000 profit that I made on the San Pasqual Ranch sale, neither did he ever receive one dollar directly nor indirectly from the sale of the personal property. That money I have kept, have deposited in the bank and used for my personal uses.

Later Col. Fletcher called on me and said that he was having trouble with Mr. Treanor, that Mr. Treanor insisted upon the return of the personal property and the \$1,000 as part of a settlement between them covering other properties and interests that they had, and Col. Fletcher stated that rather than have any litigation after his many years' service with the water company interests, he had this offer to make me:

That if I would return the balance of the personal property from the San Pasqual and Pratt ranches, we would call everything off, as Mr. Treanor was threatening to sue me for an accounting as well as Col. Fletcher, and rather than get into litigation I decided to accept Col. Fletcher's offer.

If Col. Fletcher has made any payments whatsoever to Mr. Treanor in relation to the San Pasqual and Pratt deals that is his business, as I have not directly, nor indirectly, put up one dollar in relation thereto and never will. All that I ever paid Col. Fletcher for the water rights to my ranch, which he had received in consideration of the \$5,000 loan, was the payment of \$1,000 in cash. That payment was made when I received my money from the sale of the Harbell Ranch.

In closing I wish to say the San Pasqual Ranch with its valuable water rights, was purchased for an average of approximately \$115.00 an acre; the Wood's ranch approximately \$300 an acre; the Harbell ranch \$300.00 an acre; the Pratt ranch approximately \$385.00 an acre. The San Pasqual Ranch was the best buy on the river, with the largest river frontage, and Col. Fletcher, in my opinion, rendered valuable service to the water company, thru my efforts, which no other man in San Diego County could have accomplished.

The above are the actual facts that can be substantiated by the official records, and in my opinion only reflect credit to Col. Fletcher in the acquisition of these properties.

Sworn and subscribed to before me
this 6th day of March, 1935.

Notary Public in and for the County
of San Diego, State of California.

My Commission Expires _____.

Ed Fletcher Papers

1870-1955

MSS.81

Box: 49 Folder: 6

**Business Records - Water Companies - Volcan
Land and Water Company - San Dieguito System
- San Pasqual - Statement by C.O. Harbell re
purchase of San Pasqual Rancho with water rights**



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