

OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SANTA BARBARA

EMILY HALL SPRECKELS,

Plaintiff,

vs. JAMES B. SPRECKELS,

Defendant.

No. 32073

DEPOSITION OF EMILY HALL SPRECKELS, a witness on behalf of defendant, taken before Mabel Reynolds, a Notary Public in and for the County of Santa Barbara, State of California, at the offices of Benjamin, Ryan & McMahon, 26 East Carrillo Street, Santa Barbara, California, on Wednesday, October 2, 1940.

FILED
MAR 13 1941
CLERK
J. J. [Signature]

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA,
IN AND FOR THE COUNTY OF SANTA BARBARA.

EMILY HALL SPRECKELS,

Plaintiff,

vs.

ARCADE E. SPRECKELS,

Defendant.

No. 32078.

DEPOSITION OF EMILY HALL SPRECKELS,
a witness on behalf of defendant,
taken before Mabel Reynolds, a
Notary Public in and for the County
of Santa Barbara, State of Cali-
fornia, at the offices of Schauer,
Fyol & McMahon, 26 West Carrillo
Street, Santa Barbara, California,
on Wednesday, October 2, 1940.

D. L. HOSSACK
OFFICIAL REPORTER
SUPERIOR COURT
SANTA BARBARA, CALIFORNIA

1 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA,
2 IN AND FOR THE COUNTY OF SANTA BARBARA,
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4 -----
5 EMILY HALL SPRECKELS,

6 Plaintiff,

7 vs.

No. 33073.

8 ADOLPH B. SPRECKELS,

9 Defendant.
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11 -----
12 Deposition of EMILY HALL SPRECKELS, produced as a wit-
13 ness on behalf of defendant, taken before MABEL REYNOLDS, a
14 Notary Public in and for Santa Barbara County, California,
15 at 2:00 o'clock p.m., Wednesday, October 3, 1940, at the
16 offices of Schauer, Ryon & McMahon, 26 East Carrillo Street,
17 Santa Barbara, California, pursuant to stipulation and sub-
18 poena.
19

20 P R E S E N T:

21 Schauer, Ryon & McMahon,
22 for plaintiff.

23 Heaney, Price, Postel & Parma,
24 and Walter Slack, Esq.,

25 for defendant.
26 -----

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EMILY HALL SPRECKELS.

Produced as a witness on behalf of the defendant, having
been first duly sworn, testified as follows:

MR. RYON: I assume, gentlemen, that although we have
made the stipulation in the morning that the notary may leave
the room applying to both, that you may wish to have it in
this deposition.

MR. ROGERS: I think the same stipulation should go in
at this time.

MR. RYON: All right.

MR. ROGERS: And she will remain subject to call.

MR. RYON: You will remain subject to call, Miss Reynolds.

DIRECT EXAMINATION

BY MR. ROGERS: Q Mrs. Spreckels, your full name is
what?

A Emily Hall Spreckels.

Q And you are the Emily Hall Spreckels, the plaintiff
in this action, is that correct?

A Yes.

Q Mrs. Spreckels, have you prepared for use in this
deposition a statement of your financial condition?

A Yes.

Q May we see that at this time?

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BARBARA BARBARA, CALIFORNIA

1 MR. RYON: I will state, Mr. Rogers, that this state-
2 ment -- I have an extra copy of the statement that you may
3 take so that each of you will have one -- has been prepared
4 by Messrs. Price, Waterhouse & Company, and I think it in-
5 cludes everything. There may be some omissions that we do
6 not know of. And I will also state for your information --
7 and this may remain off the record.

8 (Discussion off the record.)

9 Q BY MR. ROGERS: Mrs. Spreckels, the statement that
10 you have given us through your counsel, does that include all
11 interests which you have in trusts and in property, both real
12 and personal?

13 A To the best of my knowledge.

14 Q To the best of your knowledge. Does it include the
15 trust in which you have an interest through the will of your
16 former husband, the Baron von Romberg?

17 A Yes.

18 Q Where is that reflected in this return?

19 A I do not think there is --

20 MR. RYON: Would you like to have me answer that?

21 A I think Mr. Ryon could do it more clearly than I
22 could.

23 MR. ROGERS: I have no objection to you doing it. I
24 would like to have her answer the question, if she can.

25 A I think where it says "Securities - at market: Held
26 free, \$502,625" -- I think that is what I received from my

1 former husband.

2 MR. RYON: That is correct.

3 Q BY MR. ROGERS: That is the property which you re-
4 ceived outright by the decree of distribution of your former
5 husband's estate?

6 A No.

7 MR. RYON: No. Pardon me, Mr. Rogers. Off the record
8 would you like me to state the factual background?

9 MR. ROGERS: I would like to have Mrs. Sprackels answer
10 it. If she wants to consult with you, that is satisfactory.

11 MR. RYON: Surely.

12 A I almost have to consult with Mr. Ryon, because it
13 has always been complicated from the first, as to how it was
14 to be taken, and also the amount of tax, which was still up
15 or is coming up in the Federal Court, and I have never under-
16 stood clearly, so I think Mr. Ryon could explain more clearly
17 than I could.

18 MR. ROGERS: Let me withdraw that question for just a
19 moment.

20 MR. RYON: Surely.

21 Q BY MR. ROGERS: Under the decree of distribution in
22 the estate of your husband you were given property of the
23 approximate value of \$120,000 to \$125,000; is that correct?

24 A No, I do not believe so.

25 Q What was the amount of that?

26 A What do you mean by "property"?

1 Q I mean all property given to you under the decree of
2 distribution, exclusive of interests in trusts.

3 A I do not know. Do you mean that takes into account
4 my home?

5 Q That includes cash, real property, furniture and per-
6 sonal effects, and bonds.

7 A I think when he passed on there was about \$10,000 in
8 cash that came from the insurance of his aeroplane, and there
9 was my home, which I do not know if there is any set value
10 on the property it is built on. It cost \$7500, and I suppose
11 the value of the home is open to what I could get for it.

12 MR. RYON: I would be glad to stipulate, Mr. Rogers, that
13 the decree of final distribution in this case -- as you were
14 so kind enough to stipulate with me this morning -- does show
15 what she received correctly.

16 MR. ROGERS: And whatever is shown by that are the true
17 figures as to what she did receive?

18 MR. RYON: It shows the items she did receive.

19 MR. ROGERS: Yes.

20 MR. RYON: And it shows the carrying value of those items
21 in the estate. As to whether they are worth that more or less,
22 of course, I am not stipulating on that.

23 Q BY MR. ROGERS: Are you able to tell me at this time,
24 Mrs. Spreckels, either directly or by consultation with your
25 counsel, the amount of the property, in value, distributed
26

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1 to you, exclusive of interests in trusts, through the estate
2 of your former husband?

3 THE WITNESS: Do you know that, Mr. Ryan?

4 MR. RYON: All I know is that the decree of distribution
5 shows that amount. I do not have the decree before me as to
6 the itemization of the distribution.

7 MR. ROGERS: And if that shows approximately \$120,000,
8 more or less, that is the correct figure?

9 MR. RYON: If that is what the decree says.

10 MR. MC INTYRE: That includes the house, and the house,
11 it is impossible to fix a value on it. I think there is
12 about ~~\$125,000~~^{25,000} worth of stocks and bonds, and then the polo
13 ponies, and furniture and furnishings in the house. What the
14 value of the furniture and the house is is a matter of --

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15 MR. RYON: Well, what Mr. Rogers wants to get at is the
16 itemization, as I understand it, and that itemization in the
17 decree of distribution is correct as to the items that are
18 mentioned.

19 MR. MC INTYRE: But not as to value.

20 MR. RYON: We do not know the value.

21 MR. ROGERS: As to present values, you do not know?

22 MR. RYON: We do not know as to the value at that time,
23 except those were the carrying values in the estate. If you
24 would like to have me explain the situation as to that figure
25 on securities in the Converse estate, I would be glad to do
26

1 so, but I do not want to interrupt.

2 MR. ROGERS: Go ahead.

3 MR. RYON: Here is the situation, as I understand it,
4 Mrs. Sprackels, - and then Mr. Rogers will probably ask you
5 some questions. Thomas Nelson Crowell and the Bankers Trust
6 Company were the trustees in the Estate of Edmund Cogswell
7 Converse. You were the next of kin under the will of Edmund
8 G. Converse to Maximillian von Romberg. You were also an ap-
9 pointee under the will of Maximillian von Romberg. Without
10 in any way electing as to which status under which you took,
11 they did distribute to you some -- I do not have the exact
12 figures, but some three hundred plus thousand of securities
13 and cash from the corpus of this estate, and they held back
14 approximately \$60,000, which was their estimated figure on
15 the federal tax. Now, that gives you the background, I guess,
16 Mr. Rogers.

17
18 MR. ROGERS: That is the trust created, as you say, by
19 the will of Edmund Cogswell Converse?

20 MR. RYON: It is not. I do not wish to mislead you, Mr.
21 Rogers. That is the end residue of the distribution in one
22 of the trusts created. In other words, this fund is not in
23 trust at this time. The trust is terminated and distribution
24 was had by the trustees, and the point of litigation, they held
25 the \$60,460 as shown there for the unestimated federal tax
26 in the matter, which has been assessed. Three hundred plus
thousand -- I think it was three hundred and forty some --

1 was distributed and it goes into this securities figure at
2 market, combined with the other securities which she holds.

3 MR. ROGERS: Now, will you stipulate that your client
4 will so testify and does so testify?

5 MR. BYON: Yes, that is agreeable; certainly. Now, if
6 there is any other explanation you would like along that
7 line, I will be very glad to explain it to you.

8 Q BY MR. ROGERS: Now, on this statement you have se-
9 curities held free in the sum of \$392,625. What does that
10 include, Mrs. Spreckels?

11 A To the best of my knowledge, I believe that means
12 what was turned over to me from my late husband's estate.

13 Q Including the trust; is that correct?

14 A What I think you are mixed up on is Baron von Romberg
15 had considerably larger income than this, but he was not
16 able to will it to me, for two reasons; one, that we had
17 no children, and, secondly, that he was not thirty years of
18 age. So those trusts never did come to me, and never will.
19 So whatever this came from, which I believe was a separate
20 trust of some kind, was to provide for his education, and
21 therefore it was always in his name and he was able to will
22 it to me.

23 Q I see.

24 A But in his will he said "I give everything to my wife".
25 But when he came to his death he was 37 or 38 years old, and
26

1 that is all he was able to give.

2 Q He was around 37 or 38 at the time of his death?

3 A Around that.

4 MR. RYON: Off the record.

5 (Discussion off the record.)

6 Q BY MR. ROGERS: Now, these securities which you have
7 listed in the sum referred to, \$532,625, are those at the
8 present time invested in the same securities as they were
9 when they came to you?

10 A I believe with one exception they are. I think some
11 Federal something came due and had to be changed somehow, but
12 I believe that was the only exception.

13 Q Do you have a list of those securities?

14 A I do not know. Have we?

15 MR. RYON: We have not one prepared, but we can and will
16 be glad to furnish you with an itemized list of those securi-
17 ties.

18 MR. ROGERS: Thank you very much.

19 MR. RYON: And I will state also, to help you in this
20 way, that this mortgage item of \$75,000 is part of the amount
21 also turned over, so that I was in error when I said \$345,000.
22 It will be \$345,000 minus the mortgage figure. I assumed
23 that was included, just roughly, from my recollection. So
24 that this \$75,000 was part of the mortgage values which we
25 appraised because of the asking price, and the mortgage at

1 \$65,000 was part of the amount turned over.

2 MR. PRICE: You also have a breakdown of this \$80,000
3 item, Mr. Ryon?

4 MR. RYON: Certainly. I take it you would like to have
5 all securities.

6 MR. PRICE: All securities.

7 MR. RYON: I do not suppose you care where they were re-
8 ceived. We will just itemize those received. We will break
9 it down into securities received from trust termination in
10 the East, and then securities held by the trustee, and itemize
11 those for you.

12 MR. ROGERS: I would like very much to have it broken
13 down.

14 MR. PRICE: And the securities obtained directly by
15 distribution out of her former husband's estate.

16 MR. RYON: Yes.

17 MR. PRICE: May we have a description of the mortgage,
18 the names of the parties, and the rate of interest?

19 MR. MC INTYRE: There is another trust on income re-
20 ceived which we cannot give a breakdown on.

21 MR. RYON: That has not come up.

22 MR. ROGERS: That has not come up.

23 MR. RYON: That is a present trust in which she has no
24 interest, except a life interest.

25 Q BY MR. ROGERS: With regard to the residence and fur-
26 nishings, that is the same residence and furnishings which

1 were included among the assets of your former husband's
2 estate and were appraised there; is that correct?

3 A Yes.

4 Q And the residence there is located in Montecito, is
5 it not?

6 A Yes.

7 Q And I believe you testified a moment ago that the
8 land upon which that residence was located cost approximately
9 \$7500; is that correct?

10 A Yes.

11 Q Do you know the cost of the home? Do you have any in-
12 formation at all concerning that?

13 A Well, not very much, because it is a strange house.
14 It was built definitely for the two of us and what we wanted,
15 and, therefore, any resale on it would be problematical.

16 Q I am not talking about resale, Mrs. Sprackels. I am
17 talking about cost.

18 A I do not know.

19 Q You completed that -- Can you get that for us, and
20 you will furnish that to us?

21 MR. RYON: Yes.

22 Q BY MR. ROGERS: You completed the construction after
23 your husband's death, did you not?

24 A Some of it, yes.

25 Q Now, the furnishings which you have there, I believe
26 you testified, are the same furnishings which were turned over

1 to you in the estate?

2 A Oh, I have added to them.

3 Q You have added to them?

4 A Wedding gifts and various things.

5 Q I see. To what extent have you added to them in
6 money?

7 A I do not know that, either. I would have to go back
8 over my check books.

9 Q Can you give an approximation of that?

10 A Adolph gave me a gift of \$5,000 in furniture when
11 we were in New York. I did not use up the entire gift. I
12 do not know how much was left. It was left as a credit, you
13 see, and I bought out of that credit about half a dozen
14 pieces, and I do not remember what they cost. I would have
15 to look it up. I really do not know. I would really have
16 to go back over my check books and into the file.

17 MR. ROGERS: Will you furnish that information to us
18 also?

19 MR. RYON: Make a note of the fact that they would like
20 to know the cost of additions to the furnishings of the home
21 by Mrs. Spreckels and the gifts that were made for the home.
22 That is about what you want, isn't it?

23 MR. ROGERS: Yes.

24 Q In whose name is that credit for furniture?

25 A It is in my name.
26

1 Q Is that with French & Company in New York?

2 A Yes.

3 Q You still have whatever remains of that credit for
4 furniture?

5 A Yes.

6 Q Now, you also are the beneficiary of a trust under
7 your father's estate, are you not?

8 A No.

9 Q No?

10 A No, I do not believe so. The only money I ever re-
11 ceived from my father he gave me as a wedding present in
12 1929 when I married Baron von Romberg.

13 Q I see.

14 A I am not sure. Daddy left me money when he died, but
15 he also owed my mother quite a big note. And if we had taken
16 what he left us, mother could never have settled the estate.
17 So my sister and I gave her everything that we inherited at
18 that time. We just waived our inheritance. And through that--
19 it was during the depression when everything was going down,
20 and mother had to pay a tax to save -- how would you say? If
21 she had to sell her own securities to pay the tax, she would
22 have had to sell them so low there would have been no estate
23 left. I cannot remember very well, because I was quite young
24 at the time, but I remember the attorney said we would be
25 wiser if we did not take from our father and left it all with
26

1 mother. And in that way mother was able to save a great deal
2 of the estate she would not have been able to save otherwise.
3 So the only money I received from my father was the money he
4 gave me in trust as a wedding present in 1929, at the time
5 we were married.

6 Q Your statement is for one reason or another you waiv-
7 ed your inheritance under your father's estate?

8 A I would not want to say I waived it, because I never
9 saw my father's will. My mother explained something to me
10 at the time about that if my sister and I insisted on so much
11 cash, that the estate to meet that demand would be liquidated.
12 And I was in York, Pennsylvania. It was explained to me. My
13 father had only been dead about two weeks. I did not want
14 his money, anyway. I wanted mother to have everything. And
15 at that time I signed a paper. I cannot remember, if my life
16 depended on it, what was in the paper, but back of it was
17 I did not want anything. I wanted mother to have everything.
18 And my sister did the same. The trust has been left to her.

19 Q What is the name of that trust?

20 A The York trust is the wedding gift.

21 Q From your father?

22 A Yes.

23 Q What is the amount of that?

24 A I do not know the amount of that, but I think it is
25 some place between seventy or eighty or eighty-five thousand
26 dollars.

1 MR. RYON: I will state in connection with that, as I
2 understand the matter -- I have not seen the original docu-
3 ment, but she has only a life interest in the income and has
4 no interest whatever in the trust.

5 Q BY MR. ROGERS: And where is that trust located?

6 A At the York Trust Company in York, Pennsylvania.

7 Q York, Pennsylvania?

8 A Yes.

9 Q How, has any trust been created for you by your
10 mother?

11 A Not to my knowledge. Not that I know of. My mother
12 has always been talking about she thinks she will make a
13 ^{trust} ~~gross something~~ ^{fund} or she will buy an annuity or something; but
14 to my knowledge I do not know that she has ever done it, and
15 I have never asked her.

16 Q Have you a copy of the trust which was created by your
17 father, - the York trust?

18 A I think they would probably have it at the York Trust
19 Company.

20 Q You have not one in your own possession here?

21 A No.

22 Q With reference to the income which you list as having
23 been received during the year, or during the period January 1,
24 1940 to September 30, 1940, I see that you list securities or
25 income from securities in the sum of \$10,000. Does that re-
26 flect the entire income from those securities during that

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1 period of time?

2 A To the best of my knowledge.

3 Q Who manages those securities for you?

4 A Which ones are they?

5 MR. RYON: That is all securities?

6 MR. ROGERS: The securities listed by you. I presume
7 that takes in the \$382,635. Let me withdraw that question
8 and maybe I can clear it up.

9 Q Do you have an account with Axe & Company of New
10 York?

11 A Yes.

12 Q And in that account are all of these securities held?

13 MR. RYON: Shall I help you out at this point?

14 MR. ROGERS: Perhaps you could.

15 MR. RYON: Axe & Company, as I understand the matter, have
16 a trading account which is traded in and out, and reflected
17 in this income figure is the amount of the average income on
18 those securities for the period stated, plus the income for
19 all other securities which came into her possession, as shown
20 by this statement, a small amount from the estate of Baron
21 von Romberg, a larger amount from the estate of Converse,
22 through the method that I have outlined.

23 MR. ROGERS: Will it be stipulated that the witness would
24 so testify in answer to that question?

25 MR. RYON: Yes, that is perfectly agreeable. I am per-
26 fectly willing to stipulate that if the witness were asked

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1 the question that she would so testify.

2 MR. ROGERS: I would be glad if on this list you would
3 also list the custody of those at the present time.

4 Q Let me ask Mrs. Spreckels this: Does this amount
5 which you have set forth here, the sum of \$10,000, represent
6 your actual receipts from income or an estimated income dur-
7 ing that period, based on some type of average?

8 A I believe it is estimated.

9 MR. RYON: It is estimated without checking her books,
10 by checking the dividends from the various stocks and bonds,
11 and taking, as I understand, from Mr. Savant the actual fig-
12 ures where they were available.

13 Q BY MR. ROGERS: Do you have someone who keeps track
14 of the records of your income and disbursements?

15 A Well, sort of. Miss Finlay does my monthly bills,
16 and Claude I. Parker figures out my income tax for me, and I
17 try to do the best I can on that side.

18 Q Can you tell us at this time not the estimated, but
19 the actual income which you have received during that period
20 from January 1st to September 30, 1940, as income from the
21 securities which you hold?

22 A I do not know.

23 Q You do not know?

24 A No.

25 MR. RYON: Perhaps, Mr. Rogers, I might offer a clarifica-
26 tion for you. She instructs that certain amounts per month