

Land and Money.

# NEW YORK MEN BUY GREAT BIXBY RANCH.

*Fifteen-Thousand-Acre Palos Verdes Property, Held at Two Million Dollars, Makes Schader Smile Because He's the Man Who Sold It—Standard Oil or Railroad Interests New Owners?*

WHEN Edward L. Doheny, oil magnate, precipitously backed down last June on his contemplated purchase of the 15,000-acre Palos Verdes ranch, forfeiting in his apparent eagerness to get out of the bargain, \$25,000 cash, and throwing the already hopelessly tangled transactions involving the great coast-line holding into a still more bewildering maze of litigation, there were those who said without reservation that one Carl F. Schader was "talking through his hat" when he swore by all things holy that he was "going to sell that ranch." Others, among them the biggest realty men in Los Angeles, smited indulgently and shook their heads when they saw the one man who wouldn't quit, resolutely starting in where Millionaire Doheny and Millionaire Hollingsworth and Millionaire Funderberg had left off.

Money was tight, said the wise ones. No one was buying \$2,500,000 ranches. Dull times when everybody's purse strings were tightened and knotted and double-hitched were good times for the annual vacation, the trip to Yosemite and the journey to Lake Tahoe. A fellow like Schader, running around with an option that had

reached him only by a process of elimination, with men who really were big enough to handle such things as 15,000-acre ranches among the eliminated, was wasting his time. Schader's precious option to buy at about \$2,000,000 might as well have read a billion—that's what the wise ones thought about it.

## PUTS IT THROUGH.

Well, Schader has sold the ranch. And he has made history doing it. High among the luminaries of the local real estate world is Schader, with a fat commission in his pocket and a smile that simply refuses to budge from his lips. That "waste paper" he has been peddling about, lo, these many weeks, has been the instrument in making him the principal figure in one of the largest and most significant realty transactions ever concluded in the Southwest. The Bixby ranch has at last been sold, the Bixbys themselves have the money. Everybody is happy, including those who have been identified with the long transaction throughout its various chapters and many of whom had despaired of ever again seeing various sums of money equated at one time and another in options and pay-

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his self-appointed labor of accomplishing the impossible.

CLOVER.

One thing is sure—the Bixby family has figuratively fed in clover ever since the complications began. They received \$25,000 the first crack out of the box for the original option. Then Dr. Walter L. Fundenberg, of Pasadena appeared as a buyer and paid over \$75,000 to hold the bargain. His affairs not working out as he had expected, the Pasadenan found himself hard put to meet a second payment of \$100,000, and here is where Schader entered the game by arranging a loan for Fundenberg on the latter's valuable property near Monrovia, known as the Spadra ranch. This made \$100,000 more behind the old brick in the Bixby mantel.

Schader, securing from Fundenberg an agreement to sell the 2000 acres of the coast line part of the ranch, paid to the Bixbys for releases and other rights of a nature so complicated as to be impossible of analysis by anyone but a lawyer (a common characteristic of the Bixby ranch sale agreements and documents) the sum of \$36,000 on behalf of himself and Mrs. Nellie M. Schader. That made \$236,000 in the Bixby coffers, with the excitement only beginning.

When E. L. Doheny antled to the tune of \$25,000, placing the money in escrow to hold his bargain, his action was heralded by certain Los Angeles newspapers as the preliminary to the passing of an awe-inspiring check for a cool \$1,500,000 adorned with the Doheny John Henry. When he welched on the deal the hearts of the many individuals involved in one way and another in the complications developed up to that point sank and the Bixbys noted down another contribution. At the time Schader started out on his selling campaign these same individuals stood to lose heavily all around, Fundenberg being in imminent danger of forfeiting not only the \$175,000 paid to the Bixbys, but his Spadra ranch as well.

The \$741,184 paid by the new owners of the ranch after Schader made good, brought the Bixby ranch fund up to \$1,002,184. The \$1,000,000 yet to come will, with interest to be paid on the various notes, raise the total to well over \$2,000,000. Fundenberg gets \$150,000 out of the total in the form of a second mortgage and saves his other ranch. The smiling Schader has proven himself, therefore, to be the good angel all around.



Carl F. Schader,

The Los Angeles realty broker, who handled the sale of the great Palos Verdes ranch to a New York syndicate.

## New York Men Buy.

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ments and in litigation in connection with the deal.

Schader after seeking in vain for a buyer or group of buyers in Los Angeles journeyed, with twenty days of grace on his expiring option, to New York. What financial sanctums he penetrated may not even be surmised from that inscrutable, but exulting smile. Beyond any doubt the bold adventurer from the Southwest found money tight in Gotham. It is so tight there, according to all reports, that no mere Gothamite can pry it loose from those who have it.

Faring forth one day with his teeth set in that determination that had taken him across the continent to do or die, Schader, the ranch peddler, found the customers he had been looking for. The staggering sum of \$741,184, handled through the Merchants' National Bank of this city, has been paid into the Title Insurance and Trust Company, as escrow holder, by these buyers, whose names appear on the necessary papers as J. Lawyer and W. H. Kiernan.

It was learned through inquiries in real estate circles last night that Kiernan is the personal representative in big land and investment transactions of Frank A. Vanderlip, president of the City National Bank of New York, and one of the giants of the financial world. With this fact in view, belief was expressed that Vanderlip himself was the real purchaser.

O'Melveny, Stevens & Milliken, as attorneys for the Bixbys and the Palos Verdes Ranch Company, have looked upon the money and found it good. The same lawyers, in a similar capacity, and with all the well-known caution of their kind, have passed upon the \$1,000,000 worth of notes, all properly secured by mortgages, that have been put up for the balance of the consideration due the sellers.

There is no doubt at all about the historic Palos Verdes ranch having been sold. There is no fluke about it as in the case of the abortive Doheny deal.

### WHO ARE THEY?

There is considerable speculation, however, among the few who know anything about the recent developments in the ranch deal as to the identity of the interests that may be back of the transaction. Lawyer and Kiernan are both named as residents of New York City. A prominent Los Angeles financier who has inside knowledge of the ins and outs of the Bixby transaction ever since its inception, and who knows as much probably as any one else excepting the smiling Schader about the latest features of the deal, gave it as his opinion last night that the two New Yorkers are representing Standard Oil interests. Kiernan is believed by the local capitalist to be one with a man of the same name who has long been identified with the land and railway activities of the so-called Standard Oil crowd, including the Rockefellers and others. Another guess by another Los Angeles capitalist is that the money going into the ranch is a part of the great \$88,000,000 Union Pacific melon. He points out that the portion of the ranch located in Bixby Slough is recognizedly valuable for harbor frontage, and that more than once capitalists have considered the possibilities of dredging these lowlands and creating a great inland port and transportation center. "What more natural than that the Union Pacific should want its own harbor facilities if it were contemplating coming to Los Angeles?" he asks.

Schader himself confesses that he has always dreamed of seeing the great bluffs of the fourteen miles and more of coast line comprising the outer boundary of the ranch converted into a second Newport, a beautiful seaside city where the wealthy and well-to-do might live in enjoyment of life 365 days in the year, and where all the tawdry amusement concessions and crowds that go to make up the average shore resort might be forever barred. At one time in the original sale proceedings Schader had thought he saw a way clear to carry out this idea. That was at a time when he, with others, had started to purchase 2000 acres of the property, including the shore line for its entire extent from just above San Pedro to just below Redondo. It was a dream that was short-lived, thanks to ensuing complications.

If Schader actually knows what is going to be done with the ranch, he isn't saying. There is something in his smile which indicates he knows.

The great Bixby ranch holding was originally granted to the Sepulveda family by the King of Spain. The Bixbys came into possession of it in the early '70s. The story of the litigations, sales, re-sales and other entanglements that have followed one after another since W. I. Hollingsworth and D. O. Miller first paid the Bixbys \$25,000 for an option on the ranch has been published in detail and The Times announced the settlement of these difficulties by an interlocutory decree of the Department Nine of the Superior Court, with the resulting opportunity given to Schader of proceeding with a free hand in