

9. SALE OF VACANT FEDERAL LAND, OBTAINED THROUGH USE OF BASE, LIEU LAND APPLICATION NO. 4796, SACRAMENTO LAND DISTRICT, HUMBOLDT COUNTY - HUDSON STOVER - S.W.O. 5342.)

Calendar Item 19 indicated that a meeting had been arranged between the attorney representing the State's patentee and a representative of the Attorney General's office during the week of February 4, 1957. Mr. Kenneth C. Smith informed the Commission that this meeting had been postponed until the week of February 14, 1957.

Upon questioning by the Chairman, Mr. Werner, the State's appraiser, reported that while he had not cruised the land, he had been informed that there had been enough timber on it at the time of their sale to warrant a valuation of \$100,000 on the land. The Chairman thereupon emphasized that an effort must be made to protect the State in this transaction, and indicated that if necessary he believed that he could approve an appropriation to handle this case from the Emergency Fund.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION AUTHORIZES THE EXECUTIVE OFFICER TO PROCEED TO SECURE A RETURN TO THE STATE OF THE FAIR MARKET VALUE FOR THE LANDS LYING IN THE NE $\frac{1}{4}$  OF THE NW $\frac{1}{4}$  OF SECTION 23 AND THE NW $\frac{1}{4}$  OF THE SE $\frac{1}{4}$  AND THE SE $\frac{1}{4}$  OF THE NW $\frac{1}{4}$  OF SECTION 29, ALL IN TOWNSHIP 8 NORTH, RANGE 3 EAST, H.M., CONTAINING 120 ACRES IN HUMBOLDT COUNTY; AND, IF EQUITABLE SETTLEMENT CANNOT BE REACHED BY NEGOTIATION, THE EXECUTIVE OFFICER IS AUTHORIZED TO RESCIND THE PATENT ISSUED TO MR. HUDSON STOVER AND TO TAKE SUCH STEPS AS MAY BE NECESSARY TO SECURE THE RETURN OF THE PURCHASE PRICE AND EXPENSES PAID BY MR. STOVER IN THIS TRANSACTION.

Attachment

Calendar Item 19 (2 pages)

SUPPLEMENTAL

19.

(SALE OF VACANT FEDERAL LAND, OBTAINED THROUGH USE OF BASE, LIEU LAND APPLICATION NO. 4796, SACRAMENTO LAND DISTRICT, HUMBOLDT COUNTY, HUDSON STOVER - S.W.O. 5342.)

On May 9, 1951 Mr. Hudson Stover of Blue Lake, California, filed with the State Lands Commission an application to purchase vacant Federal land in Humboldt County described as the NE $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 23 and the NW $\frac{1}{4}$  of SE $\frac{1}{4}$  and SE $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 29, T. 8 N., R. 3 E., H.M., containing 120 acres in Humboldt County.

Subsequently, the State filed an indemnity selection application with the Federal Government to acquire said lands, which was approved and title conveyed to the State on November 3, 1954.

For a period during the first few months of 1954, no appraisal staff was available to the Commission to undertake appraisal assignments. During this interim period, arrangements were made to utilize the services of the assessor's staff of several counties, based upon recommendations of the respective county assessors. It was agreed that the appraisal work would be accomplished independent of their respective duties, and on a fee basis. Accordingly, the services of Mr. Harold Trott were made available to undertake this appraisal. In accordance with Article 6 of the Rules and Regulations of the State Lands Commission, the lands were appraised during January, 1954, by Mr. Harold Trott, Deputy County Assessor of Humboldt County. The value established by Mr. Trott's appraisal was \$1,560.

The State Lands Commission, at its meeting held March 26, 1954 approved the sale of the subject land to Hudson Stover at the appraised value. Accordingly, State patent was issued to Hudson Stover on June 9, 1955.

During the course of recent appraisal work by a member of the Commission's staff in Humboldt County, information was obtained indicating that the aforesaid lands were valuable timbered lands, and the sale price as established by the appraisal submitted by Mr. Harold Trott was not representative of its true value. An investigation was undertaken by staff members, and it appears that the lands are quite valuable for timber purposes, containing in excess of three million board feet of Douglas fir. Moreover, the information developed indicated that a mutual mistake in fact may have occurred, by failure of the appraiser and the State applicant to properly identify the land on the ground. In addition, the possibility of misrepresentation by the State applicant should be considered as a result of statements under oath that the land involved is brush and grass land, when in fact it contains a valuable stand of good quality merchantable Douglas fir timber.

The matter has been referred to the Attorney General for review, and we are informed that sufficient grounds appear to exist for the State to proceed with an action to rescind the patent. If this procedure is followed, the Attorney General has requested that appropriate steps be initiated to arrange for a refund

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to Hudson Stover of the initial purchase price and costs, totalling \$1,631.72. In this connection a "spot" bill has been introduced in the Legislature which can be used to accomplish this purpose, if necessary. However, it is possible that the matter may be settled by negotiation, and a meeting to that end has been arranged between the attorney representing the State patentee and a representative of the Attorney General's office during the week of February 4, 1957.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO PROCEED TO SECURE A RETURN TO THE STATE OF THE FAIR MARKET VALUE FOR THE LANDS LYING IN THE NE $\frac{1}{4}$  OF THE NW $\frac{1}{4}$  OF SECTION 23 AND THE NW $\frac{1}{4}$  OF THE SE $\frac{1}{4}$  AND THE SE $\frac{1}{4}$  OF THE NW $\frac{1}{4}$  OF SECTION 29, ALL IN TOWNSHIP 8 NORTH, RANGE 3 EAST, H.M., CONTAINING 120 ACRES IN HUMBOLDT COUNTY; AND, IF EQUITABLE SETTLEMENT CANNOT BE REACHED BY NEGOTIATION, THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO RESCIND THE PATENT ISSUED TO MR. HUDSON STOVER AND TO TAKE SUCH STEPS AS MAY BE NECESSARY TO SECURE THE RETURN OF THE PURCHASE PRICE AND EXPENSES PAID BY MR. STOVER IN THIS TRANSACTION.