

Lawyer Says Nixon's Home on Coast Was Paid for Through Title Company

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LOS ANGELES, June 15 — A lawyer here says that when Richard M. Nixon acquired his San Clemente, Calif., estate in 1969, the Title Insurance and Trust Company paid the sellers \$400,000 by its check and gave its \$1-million promissory note for the balance.

The statement by Charles E. Horning Jr., who represented the sellers, was in agreement with records showing the title company as registered owner of the property. It also agreed with figures in the most recent White House account, which stated that President Nixon got the property with a \$400,000 cash down payment.

Mr. Horning, in a telephone interview, said, however, that the name Nixon did not appear anywhere in the transaction.

The attorney declined to reveal the interest rate on the promissory note. Nor would he reveal the schedule of repayment of the \$1-million. He said that payments had been made as required in the terms of the promissory note. Mr. Horning said he did not know where the money came from, but that he assumed the title company was merely a conduit.

Title Insurance and Trust Company is the chief title insurance concern in this state. Company officials have refused to discuss the arrangement.

Other Funds at Issue

The transaction is entirely separate from the series of property improvements financed from public funds through the General Services Administration. Requests from reporters have gradually extracted a list of these that now totals \$456,352. Mr. Horning's recollections were of the purchase of the property.

Mr. Horning said that the buyers had been represented on closing day by Herbert W. Kalmbach, a Newport Beach and Los Angeles lawyer. All

the documents passed title to Title Insurance and Trust, but Mr. Kalmbach has been identified throughout the Nixon Presidency as the President's personal attorney. This relationship ended with an announcement by the White House on May 1 that Mr. Kalmbach had been dismissed.

Mr. Horning's account of the sale, while giving figures that coincided with the recent Nixon figures, did not clear up all the confusion that has arisen from a succession of conflicting statements from the White House about the San Clemente deal.

The purchase was announced in May, 1969, some two months before it was concluded. At that time, John D. Ehrlichman, who was then the domestic counsel to the President, said that Mr. Nixon would pay \$100,000 down and assume a \$240,000 mortgage payable in full in five years. For this, according to Mr. Ehrlichman, the Nixons would get about five acres plus the old Cotton mansion.

Mr. Ehrlichman also said that the "mortgages on the deed of trust on the California property are 7½ per cent." This would amount to \$75,000 in annual interest alone on the \$1-million promissory note that is described by Mr. Horning.

In September, 1972, the White House released what it described as a statement of Mr. Nixon's net worth. It said that he owed \$518,038 on California and Florida mortgage and trust deed notes. Clearly this could not include a \$1-million indebtedness on the San Clemente estate.

Last month, the Santa Ana, Calif., Register, published within 50 miles of San Clemente, reported that investigators had "stumbled across the possibility" that funds left from the 1968 Nixon campaign had been used to finance the purchase of the Western White House.

The White House initially denied the newspaper article

as "a total fabrication." Then the White House said that Mr. Nixon still owed \$630,000 on the San Clemente property alone.

Next, the White House announced that the press office would release an accounting of the San Clemente property transaction in a day or two. That statement was made on May 15.

After scheduling the release of the accounting three times, and failing to produce it, the White House released it on May 25 in written form, and since has declined to respond to questions about it.

In that statement, for the first time, Mr. Nixon said he had borrowed \$625,000 from Robert H. Abplanalp, a business man who lives in New Rochelle, N.Y., but also spends much time in a home in the Bahamas, where Mr. Nixon is a frequent visitor. This loan was not shown in the September, 1972, net worth statement.

Mr. Nixon said that he had paid \$1.4-million for the estate, giving \$400,000 down. He revealed he had also acquired another adjoining tract for \$100,000.

Thus, the Nixons had acquired \$1.5-million worth of property at San Clemente. The President's spokesmen at different times had said he had put down \$100,000 and \$400,000. At different times he was said to owe \$240,000 or \$625,000 or \$630,000.

He controlled 24.6 acres, and the buildings.

Statement on Abplanalp

In the White House statement released May 25, it was explained that Mr. Abplanalp had taken all but 5.9 acres, excluding the portion with the house on it. In return, the White House statement said, Mr. Abplanalp had written off his loan to the Nixons, had absorbed a mortgage on the small adjacent tract acquired in 1969, and assumed \$560,000 of "the \$900,000 remaining mortgage on the Cotton property."

The statement said that Mr. Abplanalp had paid \$1,249,000 for the 18.7 acres of land.

But none of this is reflected in any public records. The registered land titles still show the estate held by Title Insurance and Trust Company. There has been no division of the real estate, as far as records show.

Nor has the White House shown any documents to substantiate its latest account of the transaction.

The San Clemente property, the former Hamilton Cotton estate, was purchased from his heirs, Mrs. Victoria Ogden, Mrs. Janice Vest and Miss Lucy Ellen Cotton.

When Mr. Nixon wanted to buy a California home the Cotton estate was found for him by Frances M. Raine Jr.

Mr. Raine, a brother-in-law of H. R. Haldeman, a Presidential adviser who resigned six weeks ago, is in the real estate business in Southern California. He said yesterday that he would not comment on anything connected with the San Clemente property purchase.

Mr. Kalmbach, the former Nixon attorney, reportedly said under oath recently that about \$350,000 in unspent contributions from the 1968 Nixon campaign had been left in a trust fund held, in part, by Mr. Raine.

Mr. Kalmbach has been described in many reports as an important conduit for campaign funds both in the 1968 and 1972 Nixon races. For example, official sources have said that he was paymaster for Don E. Segretti, who is said to have been an undercover organizer of sabotage programs in various Democratic campaigns last year.

Sources close to the Watergate investigation have said that Mr. Kalmbach has agreed to testify, if needed, in any criminal trials about what he knew of use of campaign money, or activities of Government officials.