IN THE

# SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1962.

**No. 13 Original**

STATE OF TEXAS,
*Plaintiff,*

VS.

STATE OF NEW JERSEY ET AL.,
*Defendants,*

AND

STATE OF FLORIDA,
*Intervenor.*

## REPORT OF SPECIAL MASTER ON APPLICATION OF FLORIDA FOR PERMISSION TO INTERVENE

WALTER A. HUXMAN,
*Special Master.*

E. L. MENDENHALL, INC., 1108 Oak Street, Kansas City 6, Mo., HArrison 1-3030

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By order of this Court dated February 25, 1963, the undersigned was appointed special master in the above entitled matter. By the same order there was submitted to the special master for his recommendations to the Court the application of Florida to be permitted to intervene. Concerning this application the special master respectfully submits the following findings of fact and conclusions of law and recommends them to the consideration of the Supreme Court.

## FINDINGS OF FACT

### I.

A hearing was held at Topeka, Kansas, April 18, 1963, at which all the parties to the action and the State of Florida were represented by counsel.

### II.

The State of Texas has filed its Bill of Complaint in the Supreme Court seeking a declaratory judgment against the Sun Oil Company, a New Jersey corporation, the State of New Jersey and the State of Pennsylvania. In its complaint, it alleges that it alone has the right to escheat the sum of $37,853.53 in miscellaneous sums of money owed by the Sun Oil Company to between 1,800 and 2,000 persons on:

(1) Uncashed checks in payment of obligations incurred in Texas, which checks were issued in Texas on bank accounts in Texas by the Gulf Coast Division office of said company at Beaumont, Jefferson County, Texas, and by the Southwest Division office of said company at Dallas, Dallas County, Texas, for wages, services, and supplies, and payable to various persons: (a) whose last known address is in Texas; (b) whose last known address is in states other than Texas; and (c) whose last known address is unknown.

(2) Uncashed lease rental checks issued in Texas on bank accounts in Texas by the Gulf Coast Division office of said company in Texas for various persons whose last known address is in Texas.

(3) Unclaimed payments to vendors and others, which obligations were incurred in Texas, and are held for

payment by the Gulf Coast Division office of the Southwest Division office of said company in Texas, to various persons: (a) whose last known address is in Texas; (b) whose last known address is in states other than Texas; and (c) whose address is unknown.

(4) Uncashed oil and gas purchase royalty checks issued in Texas on bank accounts in Texas by the Gulf Coast Division office of said company to various persons: (a) whose last known address is in Texas; (b) whose last known address is in states other than Texas; and (c) whose last known address is unknown.

(5) Mineral proceeds reflected by the records of the Gulf Coast Division office of said company in Texas and the Southwest Division office of such company in Texas on production from land and leases in Texas; and held for various persons: (a) whose last known address is in Texas; (b) whose last known address is in other states; and (c) whose last known address is unknown.

(6) Mineral proceeds reflected by the records of the Gulf Coast Division office of said company in Texas and the Southwest Division office of such company in Texas on production from lands and leases in other states for persons: (a) whose last known address is in Texas; (b) whose last known address is in other states; and (c) whose last known address is unknown.

(7) Unclaimed cash dividends on common stock of the Sun Oil Company, which dividends are credited on the books of the Sun Oil Company at Philadelphia, Pennsylvania, for persons whose last known address is in Texas.

(8) Unclaimed payments deducted for employees on war bonds, the records of which are now kept at the Philadelphia, Pennsylvania, office of such company, for various persons whose last known address is in Texas.

(9) Uncashed checks issued in Oklahoma, by the Mid-Continent Division office of said company at Tulsa, Oklahoma, to various persons whose last known address is in Texas.

(10) Unclaimed stock scrip certificates of the Sun Oil Company held for persons whose last known address is in Texas.

The debts evidenced, as described above, by (1) uncashed checks for wages, services, and supplies; (2) uncashed lease rental checks; (3) unclaimed payments to vendors and others; (4) unclaimed oil and gas royalty checks; and (5) mineral proceeds from lands and leases in Texas, all arose out of the operations of Sun Oil Company in Texas through its offices in Texas. All company records of these individual debts were originally made and entered in, and have since been kept in, the said division office in Texas exclusively.

The debts evidenced, as described above, by (6) mineral proceeds on lands and leases in other states; (7) unclaimed cash dividends on common stock; (8) unclaimed deductions for employees on war bonds; (10) unclaimed stock subscription certificates; and (9) uncashed checks issued to Oklahoma, are believed to have arisen in Texas.

III.

It alleges that the defendants, the State of New Jersey and the State of Pennsylvania also claim the right to escheat these funds but that it alone is entitled to maintain such an action. It asks for the declaratory judgment of the Supreme Court declaring such right to be solely in Texas and for an injunction enjoining New Jersey and Pennsylvania from instituting escheat actions.

IV.

Texas' action is predicated on a report filed with it by the Sun Oil Company listing the individual names, last known address of each claimant where such address is known, and where not known, listing the claimant as last address unknown, of all of the 1,800 to 2,000 individual claimants. Included in the report by the Sun Oil Company to Texas and in the action by Texas for a declaratory judgment entitling it to escheat all of these claims are nine items made payable to persons whose last known address was in a town in Florida. In its application for intervention, Florida claims the right to escheat these nine items made payable to persons whose last known address was in Florida. It thus appears that both Texas and Florida claim the right to escheat these nine items.

## CONCLUSIONS OF LAW

I.

There is a conflict between Texas and Florida as to which state has the right to escheat the items made payable to residents of Florida.

II.

Florida is a necessary party to a complete adjudication of all matters in controversy.

III.

Florida's petition for intervention should be granted.

All of which is respectfully submitted.

WALTER A. HUXMAN,
*Special Master.*