

# Appeals Court Reinstates Indictment of Hughes and 3

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SAN FRANCISCO, May 11—A once-dismissed indictment that accuses Howard R. Hughes and three of his associates of illegal manipulation of a publicly traded stock has been reinstated by the United States Court of Appeals for the Ninth Circuit.

When the indictment was voted on July 30, 1974, it was viewed as a test of whether the rich and powerful Mr. Hughes could be brought to trial.

A Federal district judge dismissed the indictment on Nov. 13, 1974, on the finding that it had failed to state a crime. The appeals court held that this was in error and ordered the matter sent back to the trial court.

Mr. Hughes died on April 5, and the charges against him will be dismissed with the showing of his death certificate, a Federal attorney said today. The other defendants are the following:

Chester C. Davis, chief counsel of the Hughes holding company, the Summa Corporation, one of the three directors of the Hughes Medical Institute of Miami, to which Hughes executives believe Mr. Hughes wanted his \$1.5 billion estate to go.

Robert A. Maheu, Las Vegas, who from 1966 until 1970 was manager of Mr. Hughes's interests in Nevada, an empire that included seven casinos, five hotels, thousands of acres of land, various aeronautical services and other enterprises. Mr. Maheu and Mr. Hughes split in late 1970.

David B. Charnay, president of Four-Star International, and an entertainment world figure who was a longtime friend of Mr. Hughes.

In addition to the four it accuses, the reinstated indictment names as co-conspirators who are not indicted: Herman Greenspun, publisher of The Las Vegas Sun, and George Crockett, an investor who owned stock in Airwest, the regional airline that Mr. Hughes acquired in December 1968.

### Bans of Indictment

The indictment concerns allegedly illegal acts done in the negotiation of that purchase.

The background facts as summarized by Federal District Judge Bruce Thompson of Reno when he dismissed the indictment were that Mr. Hughes had offered to buy the airline assets at a price that would liquidate at \$22 a share. Stockholders agreed to accept, but directors did not.

The indictment accused Mr.

Hughes, Mr. Maheu and Mr. Davis of causing Mr. Greenspun, Mr. Charnay and Mr. Crockett to sell "short" a total of 86,100 shares of Airwest. The stock price dropped from \$18 to \$15.75 a share on Dec. 31, 1968, because of these activities and the directors voted to accept Mr. Hughes's offer.

While Judge Thompson held as to this indictment, as he had in a much similar one voted on Dec. 27, 1973, and dismissed by Judge Thompson on Jan. 30, 1974, that no crime was properly charged, the appeals court said "such conduct falls within the type of activity which Congress sought to prohibit in enacting the Securities and Exchange Act."

"While the indictment was by no means a model pleading it was sufficient to charge the elements of the offense," the court ruled in an opinion by District Judge W. J. Jameson of Great Falls, Mont., sitting by appointment, and concurred in by Circuit Judges James R. Browning and Joseph T. Sneed.

### Another 'Will' Filed

Special to The New York Times

LAS VEGAS, Nev., May 11—Another purported will of Howard R. Hughes was filed with the Clark County clerk here today on the instruction of District Judge Keith Hayes, who has Hughes probate matters before him.

The hand-written will was filed by attorneys for the Summa Corporation. It was received here today in an envelope addressed to Summa and carrying the return address of "Hughes Tool Company, Houston, Texas," which was one Mr. Hughes's holding company.

The three-page will—each page signed "Howard R. Hughes"—named Summa Corporation as Executor and was dated June 22, 1969. However, Summa was not formed until December 1972, when Mr. Hughes needed a new name for his holding company. He had disposed of the old name, Hughes Tool Company, when he sold his oil-drilling equipment company interests.

The will named several charities and left one-twelfth of the estate "to all my blood relatives," with one-sixth to be "divided among the blind and homeless children of America."

It left one-sixth of the \$1.5 billion estate to be "divided among 10 living American individuals" and listed 10 Social Security numbers, but no names identifying the numbers' holders.