

'Hot' Stock In Rebozo Bank Case

Firm Sues on Stolen Issues

GARDEN CITY (N.Y.)— (UPI) — Charles G. "Bebe" Rebozo's Florida bank held 900 shares of IBM stock stolen from a New York brokerage firm for about three months in 1968, the Long Island newspaper Newsday reported yesterday.

Neither Rebozo, one of President Nixon's closest friends, nor anyone else connected with the bank has been charged with any wrongdoing in connection with the stock, though the bank is being sued by an insurance company.

Yesterday's story is the third in a series Newsday is carrying about what it describes as "questions of public concern in connection with investments and activities" of Rebozo and former Sen. George A. Smathers of Florida.

Newsday's Story

According to Newsday, what happened was this:

The stock was deposited in the Key Biscayne Bank late in July by Atlanta businessman Charles L. Lewis as collateral for a \$190,000 loan.

It was sold in October after an FBI man had examined the Lewis loan file and the amount obtained in excess of the loan was deposited in Lewis account.

Eight persons have been indicted on charges of transporting the stock stolen from the brokerage house of E. F. Hutton & Co. across state lines. Six of them have pleaded guilty.

Bank Sued

Neither Rebozo nor Lewis was among those indicted, but the insurance company which paid Hutton & Co. \$284,850 to cover the theft is suing the bank in an effort to recover its money.

Newsday said Lewis was brought to the Key Biscayne Bank by Washington lobbyist W. A. Jernigan, a friend of Rebozo and a business associate of Lewis.

The newspaper said Jernigan and Lewis obtained the stock from a man identified as "Mr. Sturgeon" through a New York lawyer named Martin Fox, who said Sturgeon could not use the shares himself to get a loan in the United States because he lived in the Bahamas.

Fox and Sturgeon were among those indicted in the case, and Fox has pleaded guilty.

Loan Called

The FBI man's visit to Rebozo's bank presumably was a result of the investigation of the theft.

Rebozo has said that the FBI man did not tell him the stock was stolen, but he also said that the visit was a factor in his decision to call the loan early in October.

The stock was sold in two parcels. The sale of 600 shares on Oct. 8 realized more than enough to cover the loan, and the remaining 300 shares were sold Oct. 31.

Newsday said Lewis received "a total of \$164,454.83 from the sale of the stolen stock."

Rebozo Letter

Between the two sales, the newspaper said, Rebozo wrote Lewis a letter in which he said:

"Everything thus far has worked out well for both of us and if I receive any further information with respect to the matter involving the certificates, I will let you know immediately."

Rebozo refused to talk to Newsday reporters about the transaction, but in testimony in the insurance suit he said that part of the letter "must have been in reference to the inquiries made (by the FBI)."