A secret deal to split Hughes'

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Attorneys for the late Howard Robard Hughes have put together a secret agreement between opposing factions of the Hughes family to distribute his estate on a fixed percentage to 19 heirs.

In addition, they are attempting to keep secret from law enforcement authorities the autopsy report of the billionaire recluse, who died April 5 aboard an airplane en route from Acapulco to Houston.

In both instances, the attorneys' work is shrouded in the same sort of secrecy that surrounded Hughes for most of his life.

In most states, autopsy reports are open to the public, and even where they are not they are routinely made available to law-enforcement authorities. But, to date, Hughes attorneys have successfully blocked efforts by the Texas attorney general's office to examine the Hughes report.

The importance of the autopsy — which was made by a private pathologist at the family's request rather than by the Houston medical examiner — is two-fold.

A thorough autopsy might have disclosed whether there was any criminal neglect involved in the death of Hughes, who weighed 94 pounds when he arrived at a Houston hospital from Mexico.

Such an autopsy also could have determined whether Hughes had been mentally incompetent for any length of time. If he had been, there would be far reaching legal implications, both civil and criminal, for aides who carried out his business affairs in his name.

Thus, the sealing of the autopsy — like the secret agreement splitting up the Hughes estate on amicable terms—could speed the eventual disposition of Hughes' vast fortune.

When asked to discuss details of the agreement among heirs, Keith Prusel, a Los Angeles lawyer representing three paternal heirs, said; "Well, I can tell you that an agreement has been reached. But I don't think I should go into any details at this time."

According to one report, the agreement provides for the distribution of about 75 per cent of Hughes' estate to 16 maternal heirs, and the remainder to three relatives on his father's side, assuming no valid will is found.

The agreement is expected to reduce substantially the volume of litigation among Hughes heirs to decide such thorny issues as Hughes' permanent residence at the time of his death.

However, no actual distribution of the Hughes fortune can actually take place until so ordered by a court, and that is not expected to occur for many years.

The Inquirer has estimated the value of Hughes' estate at $600 million to $1 billion. However, inheritance taxes could take upwards of 65 per cent of the estate's total value and attorney's fees could take another large percentage of the total. One law firm — Gibson, Dunn & Crutcher of Los Angeles — has already billed the estate $75,324, or $3,000 a day, for five weeks of legal work.

Among other findings in the continuing Inquirer investigation: Hughes' personal income tax returns for 1967 through 1973 underwent an intensive Internal Revenue Service audit before his death. IRS assessed Hughes an additional, though undisclosed, amount of taxes owed for those years. His lawyers are now negotiating a secret agreement with IRS to pay a reduced amount.

Administrators of Hughes' estate have hired Merrill, Lynch, Bierce, Fenner & Smith, the nation's largest securities dealer, to make a $400,000 study to determine the "fair market value" of Hughes' estate at the time of

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his death.

Officials of Summa Corp., Hughes' wholly owned holding company, have begun striking from the payroll some long-time personal servants or associates of the reclusive billionaire and his former wife, Jean Peters, the actress.

In a further effort to keep secret many of the details surrounding the Hughes business empire, attorneys for the eccentric billionare apparently have decided to spend Hughes' money largely without obtaining court approval.

Normally, an expenditures from the estate of a dead person must first be approved by the court to assure a proper accounting of assets.

But legal documents filed so far in the Hughes estate indicate that his attorneys are taking the position that any expenditure of funds even remotely connected with Hughes' Summa Corp. constitutes a corporate payment and is not subject to court approval.

Probate authorities acknowledge this is a gray area in the law and that there is a blurred distinction between individual and corporate assets.

In the Hughes case, the assets of the Summa Corp. account for virtually the entire Hughes estate, and thus any expenditures by Summa represent the transfer of money out of the estate.

None of the variety of legal moves that have taken place since Hughes' death is more bizarre than the sealing of the Hughes autopsy. That was ordered by members of Hughes' family in Houston after he arrived dead at the city's Methodist Hospital.

The hospital's private pathologist, Dr. Jack Titus, invited Dr. Joseph Jachimczyk, the Harris County medical examiner, to view the autopsy and agreed to supply the autopsy report to the county official afterward. Such an arrangement is standard in many private autopsies in Houston.

But after the autopsy was completed on the 70-year-old Hughes, Methodist Hospital refused to supply a copy, as agreed, to the Houston medical examiner.

"They changed the rules on me in the bottom of the ninth inning," complained Jachimczyk. "This is the first time this has happened to me in 19 years."

The autopsy presumably reveals the condition of Hughes' brain at the time of his death — a subject on which there are sharply conflicting reports.

Immediately after the autopsy, Dr. Lawrence Chaffin, an 84 year-old Los Angeles physician, long-time Hughes retainer and consultant to the Howard Hughes Medical Institute who was with the recluse in Acapulco and aboard the plane when he died, told Time magazine that "his brain looked quite healthy, it is the brain of a very smart man."