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Loeb Is Fined \$3,000 for Illegal Gift to Humphrey

By JOHN SIBLEY

John L. Loeb, a prominent Wall Street investment banker, was fined \$3,000 in Federal Court here yesterday for illegally disguising a \$48,000 contribution to Senator Hubert H. Humphrey's unsuccessful campaign for the Democratic nomination for President last year.

Mr. Loeb, 70-year-old senior partner in Leob, Rhoades & Co., had pleaded nolo contendere to charges that he had violated the Federal Election Campaign Act, which took effect April 7, 1972.

He was believed to be the first person to be prosecuted under the new law.

Before yesterday's sentencing Mr. Loeb told Judge John M. Cannella, as he has maintained repeatedly, that he had been unaware of the disclosure requirement.

"The violation was totally innocent and unwitting," he said. "I could not, and I would not under any circumstances willfully break the law."

"If I had known that the new law prohibited my contributing to Senator Humphrey's campaign in the way that I adopted, I would not have dreamed of doing it."

Money to 8 Employees

According to Federal prosecutors, Mr. Loeb deposited the \$48,000 in the personal checking accounts of eight employees of his firm in various New York City banks on May 12, 1972. The employees in turn made out checks to the committee running Senator's Humphrey's campaign in the California Democratic Presidential primary.

Mr. Loeb insists that he first learned of the campaign disclosure law when he telephoned his lawyer on May 31 of last year. This call was prompted by inquiries from newsmen whose curiosity had been aroused by the bank addresses listed in the Humphrey committee's official report.

On the following day, Mr. Loeb wrote to the Humphrey committee, and on June 2 — six days before the California primary — the committee amended its formal report of contribution to show the full facts.

Mr. Loeb's lawyer, Woodson D. Scott, urging Judge Cannella to be lenient in sentencing, called the violation "a technical mistake, a mistake made unwittingly and promptly corrected."

Mr. Scott, pointed, too, to letters addressed to the judge by

"national leaders in the fields of finance, government, education, religion and philanthropy" attesting what the lawyer called Mr. Loeb's "dedication to this city and the nation; the remarkable extent of his financial and personal contributions to universities, hospitals and cultural institutions of this nation; his leadership in the world of business and finance; and his extensive friendships among people of honor and esteem."

Mr. Scott added: "Mr. Loeb has suffered and will continue to suffer psychological and emotional consequences."

Judge Cannella's \$3,000 fine was the maximum permitted under the law — \$1,000 for each of three counts to which Mr. Loeb had pleaded. He could also have received a one-year prison term on each count.