

Hughes Indicted In Air West Deal

Las Vegas

Howard R. Hughes, the reclusive billionaire, two of his top aides and two other associates were named yesterday in a nine-count criminal indictment by a federal grand jury here.

The defendants were accused of stock manipulation and conspiracy in connection with the acquisition by Hughes in 1969 of Air West Airlines.

Named with Hughes in the indictment were Robert A. Maheu, former head of the Hughes hotel and gambling interests here; Chester C. Davis, chief legal counsel of Hughes' wholly owned Summa Corp.; David B. Charnay, president of Four Star International, a television and motion picture production company in Los Angeles; and James H. Nall, who is in charge of land acquisition for Hughes' Nevada operations.

Also named as co-conspirators, but not indicted, were Herman (Hank) Greenspun, owner and editor of the Las Vegas Sun, and George Crockett, a long-time friend of Hughes.

Conviction for conspiracy carriers a maximum penalty of five years in prison and a \$10,000 fine. Conviction for stock manipulation could bring two years in prison and a \$10,000 fine.

U.S. District Judge Roger D. Foley set January 11 for arraignment of the defendants, but it is considered unlikely that Hughes will appear. Hughes has not appeared in public in more than two decades, despite being a principal in many lawsuits.

Hughes moved suddenly last week from London to Freeport, the Bahamas. Earlier this month, a Bahamian magistrate refused to extradite to the U.S. Robert L. Vesco, the financier who is accused in a New York indictment of fraud and conspiracy to obstruct justice.

The first count of the in-

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dictment charges the defendants and coconspirators of conspiring between June, 1968, and April, 1970, to depress the market price of Air West stock. This was done, the indictment said, through sales by Charnay, Greenspun and Crockett of 46,000 shares of Air West stock in two days in December, 1968.

Hughes, Maheu and Davis were charged with bringing pressure through lawsuits against Air West directors who had voted against selling the airline to Hughes. The pressure was designed to cause them to change their votes.

Hughes was accused of directing Maheu and Davis, by hand-written memoranda and verbal communications, to bring the suits and to unlawfully manipulate the market price of Air West stock to make the acquisition offer appear more attractive to stockholders.

Other counts of the indictment charge the four men with trying to manipulate the price of Air West stock and of using telephone and telegraph lines to aid such a scheme, while Nall is charged additionally with

being an accessory to unlawful manipulation of the stock and of failure to disclose knowledge of an alleged felony.

A spokesman for Hughes in Los Angeles said he was preparing a statement about the indictment.

In Las Vegas, Maheu said, "I have never owned any Air West or Hughes Air Corporation stock, nor has any member of my family. The only person who could possibly benefit from the allegations in the indictment is Howard Hughes."

Maheu was chief executive for Hughes' \$250 million of investments in Nevada until he was summarily dismissed in December, 1970.

After a lawsuit as filed by six Air West directors and other stockholders, dissenting board members reversed themselves and Hughes' offer to buy the airline was accepted. The deal was finally officially consummated in April, 1970, after approval by the Civil Aeronautics Board and President Nixon.

Air West's name was changed to Hughes Airwest after Hughes purchased it.

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