

Hughes Indictment

Dismissed in Reno

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RENO, Jan. 30—A criminal indictment charging Howard R. Hughes and four co-defendants with stock manipulation, conspiracy and wire fraud was dismissed here today.

Federal District Judge Bruce R. Thompson termed the indictment "the worst criminal pleading I've ever encountered."

Making the ruling after hearing arguments for most of the day on a defense motion for dismissal, Judge Thompson declared, "I think it would be a perversion of justice to require any defendant to go to trial under this particular indictment."

The judge agreed with two

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defense attorneys, Moses Lasky of San Francisco and Samuel S. Lionel of Las Vegas, that the nine-count indictment lacked specific facts showing that crimes had been committed in carrying out the alleged conspiracy or that the goals of that supposed conspiracy were unlawful.

"If there is merit to these charges," Judge Thompson said, "the matter may be re-presented to the grand jury . . . or the prosecutor has the right to appeal."

Air West Involved

V. DeVoe Seaton, United States Attorney for Nevada, indicated after the dismissal that he would pursue the charges before the Las Vegas grand jury that handed up the indictment Dec. 27.

"This matter is now in the investigatory stage again," the prosecutor said. "I do not comment on action pending before a grand jury."

In addition to Mr. Hughes, the indictment named as defendants Robert A. Maheu,

former chief executive of Mr. Hughes's Nevada gambling and hotel operations; Chester C. Davis of New York, chief legal counsel for Mr. Hughes's Summa Corporation; David B. Charnay, president of Four Star International, a Los Angeles television and motion picture production company, and James H. Nall, Nevada real estate executive for Mr. Hughes.

Judge Thompson vacated a \$10,000 personal recognizance bond posted last week by Mr. Maheu after he pleaded not guilty to the charges. Arraignment of the other defendants had been postponed pending action on the dismissal motion.

The indictment charged the defendants with conspiring to drive down the price of Air West stock between June, 1968, and April, 1970, a period in which the purchase of the regional airline by Mr. Hughes was pending. The indictment alleged that the stock manipulation was an effort to coerce directors who had voted against selling the airline to change their votes, which they did.

Mr. Hughes took control of the airline in April, 1970, and has operated it since under the name Hughes Airwest.

Judge Thompson agreed with defense arguments that the indictment was ineptly drawn in that it failed, as required by law, to show the "nature of the fraud, how in what manner it was false."

To find those criteria in the indictment, the judge said, it was "necessary to use interpretation and, in many instances, speculation." He said it was essential that an indictment include essential allegations "so that we may be sure the grand jury had the facts before them."

The defense also said that the indictment was "duplicious" in that it incorporated charges in each count in all the other counts. Judge Thompson ruled that each count in the indictment "should stand on its own, less it have multiplicity."

The suggestion today by the prosecutor that duplicity be obviated by dismissing all but three counts would "not cure the fundamental objections of the indictment," the judge said.