

Maheu Awarded \$2.8-Million In Damage Suit Against Hughes

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LOS ANGELES, Dec. 4 — A federal jury awarded Robert A. Maheu \$2,823,333.30 damages today in his defamation suit against the billionaire Howard R. Hughes's Summa Corporation. It was one of the largest compensatory damage awards in United States judicial history.

The jury of six persons had deliberated six days on the question of how much to award Mr. Maheu.

The suit was based on Mr. Hughes's assertion, in a 1972 interview, that he had dismissed Mr. Maheu because he was "dishonest" and "stole me blind."

The jury awarded Summa Corporation \$47,743 of its or-

iginal \$4.4-million counterclaim against Mr. Maheu.

Morton A. Galane, attorney for Mr. Maheu, said "Both my client and I are pleased with the verdict." Norbert Schlei, attorney for Summa Corporation, said only that he would file a motion for a new trial.

United States District Judge Harry Pregerson, who presided over the five-month trial, held

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the jury subject to call in connection with what may become an additional phase of the case. Mr. Galane objected to the judge's order several weeks ago barring any punitive damage against the Summa Corporation. Punitive damages are intended to deter an offending party from further actions. Compensatory damages are intended to make up for the victim's loss.

The award today was based on the jury's finding that Mr. Maheu had suffered a decreased earning capacity plus humiliation and mental anguish from being labeled a thief by the wealthy industrialist and Nevada casino proprietor. Mr. Maheu had sought \$9-million in diminished future earnings, plus an unspecified amount for mental anguish. The jury did not specify what sums it awarded for each cause of damage.

The verdict came four years after Mr. Maheu was dismissed from his \$520,000-a-year position as chief Nevada executive for the Hughes empire. Mr. Maheu was named to that position shortly after. Mr. Hughes moved to Las Vegas in 1966 and began an extensive program of property acquisition that eventually included the purchase of seven Nevada casinos.

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Mr. Maheu served as alter ego and official spokesman for the billionaire, who remained secluded in the penthouse floor of the Desert Inn. He was installed in a \$640,000 mansion, built for him on the Desert Inn golf course by Hughes Tool Company. He was given use of an executive jet and many other emoluments, and testified later that Mr. Hughes had "waltzed me up to the mountaintop."

Mr. Maheu's tenure ended shortly after Thanksgiving, 1970, when Mr. Hughes vanished from the Desert Inn without notifying Mr. Maheu. On Dec. 5, Chester Davis, a New York lawyer, and Frank William Gay, a vice president of Hughes Tool Company, appeared in Las Vegas with a proxy from Mr. Hughes and sent word to Mr. Maheu that he had been fired.

Mr. Maheu resisted, saying that only Mr. Hughes could dismiss him, and questioning the validity of the proxy. He then filed a \$50-million damage action in a Nevada court, saying he had an oral agreement with Mr. Hughes for lifetime employment.

But 13 months later, in a telephonic news conference from Paradise Island in the Bahamas, Mr. Hughes confirmed that he had dismissed Mr. Maheu. The news conference, with seven reporters questioning Mr. Hughes from a Hollywood hotel, was set up to enable the billionaire to denounce as a hoax Clifford Irving's purported Hughes autobiography.

Asked why he had dismissed Mr. Maheu, Mr. Hughes replied that Mr. Maheu was dishonest and "he stole me blind."

Mr. Maheu then filed a new suit for \$17.5-million in United States District Court in Los Angeles. This action sought \$11-million in punitive damages.

Summa Corporation, of which Mr. Hughes is the sole stockholder, assumed responsibility at the trial for Mr. Hughes's remarks. The billionaire, who has made no public appearance for more than 15 years, did not appear as a witness or give testimony by deposition.

Summa acknowledged from the outset that Mr. Hughes's words were defamatory if false, and asserted truth as the sole defense. Summa also filed a counterclaim for \$4.4-million, charging that Mr. Maheu had improperly diverted that sum.

Last July 1, after a four-month trial, a six-member jury ruled for Mr. Maheu and found Summa Corporation liable. The same jury reconvened Oct. 29 to assess monetary awards.

In an order that broke new legal ground, Judge Pregerson ruled out any punitive damages against Mr. Hughes's Summa Corporation.

The judge also disallowed more than \$2-million of the civil counterclaim against Mr. Maheu, leaving only \$1.7-million to the jury's discretion.