

Estate pays last \$25 million payment

# Texas gets more Hughes millions

Associated Press

AUSTIN — The state, ending its eight-year legal fight over the fortune of reclusive billionaire Howard Hughes, has received a second \$25 million tax payment from the Hughes estate, officials said Wednesday.

Attorney General Jim Mattox said the money, which has been deposited in the state Treasury, was the last half of a \$50 million settlement reached with the Hughes estate and the state of California last year.

"This wraps up a complicated case that lasted eight years, with the state of Texas definitely getting its money's worth," Mattox said.

When the settlement was reached in 1984, Mattox called it

probably "the most publicized and complicated probate case in this country's history."

The legal battle began on April 5, 1976, when Hughes died aboard a private jet flying from Acapulco to Houston, where the billionaire was to receive medical treatment.

After his death, Texas and California each pursued inheritance tax claims on the massive Hughes estate. The case had been before the U.S. Supreme Court three times.

Hughes left no verified will. More than 40 purported wills and hundreds of prospective heirs surfaced over the years. A series of trials in 1981 trimmed the number of heirs to 22.

Hughes, the son of the inven-

tor of the oil drill bit, was born in Texas and lived in the state for 20 years.

But he also lived in Los Angeles and San Diego counties in California for about 41 years. Claiming to still be a Texan during that time, he stayed in rented or borrowed homes and said he was visiting California on business.

In 1966, Hughes moved to a Las Vegas hotel from which he began acquiring hotels and land in Nevada. He later moved to the Bahamas, Nicaragua, Canada and London, secluding himself in posh hotel suites.

The state of Texas, arguing Hughes was a Texan, claimed an 18 percent inheritance tax. California, contending Hughes was a

resident of that state, wanted to impose its inheritance tax that was in effect in 1976.

In the settlement agreement reached last year, Texas got \$50 million cash in two payments and California got between \$119 million and \$150 million in cash and land. The federal government also claimed more than \$100 million.

Mattox said Wednesday that the deal was the best Texas could have hoped for had the case finally gone to trial.

"We could only have shown that Howard Hughes was in Texas 48 hours after he was 19 years old," the attorney general said. "But I guess that just goes to prove the old adage, 'Once a Texan always a Texan.'"

# Houston broker sues Forbes in libel lawsuit

Associated Press

HOUSTON — A Houston investments broker filed a \$25 million libel lawsuit against Forbes magazine, alleging one of the publication's articles injured him professionally.

Robert S. Montague, a director of Weaver Exploration Co., filed the suit Tuesday in federal court in Houston.

The suit claims a June 4, 1984 Forbes article titled "Drilling for Suckers" was "meant to inform the readers of Forbes that Montague and the Weaver Exploration Co. were looking for 'suckers' and that their present and potential future investors were 'suckers.'"

The magazine article said Chrysler Corp. chairman Lee Iacocca and other prominent businessmen lost money through investments in

Weaver drilling ventures and was embarrassed by the losses.

Montague said he "enjoyed the highest reputation for personal and professional honesty and integrity and was hurt professionally by the article."

Forbes' Assistant Promotions Director Valerie Sylvester, who was taking all inquiries on the suit, was unavailable for immediate comment Wednesday.

Montague's suit also named as defendants the Detroit Free Press, which republished the Forbes article, and New York reporter Allan Stone, who wrote the magazine story.

Houston attorney Fred Hagan, who represents Montague and other persons connected with Weaver Exploration, have been named as defendants in securities fraud lawsuit filed in Detroit.

# Chairman of Datapoint offers to make company private

Associated Press

SAN ANTONIO — Datapoint Corp. Chairman Asher Edelman, less than six months after obtaining controlling stock interest in the computer manufacturing firm, has offered to take the company private with a \$100 million leveraged buyout.

Meanwhile, Datapoint's service subsidiary Intelogic Trace, Inc. announced its board had rejected a

\$177 million buyout proposal from TRW Inc.

TRW offered \$9.50 per share for 18.5 million shares of IT stock in August, one week after IT began regular trading on the New York Stock Exchange.

IT is a spin-off firm created after Edelman became chairman of the Datapoint board in March.

IT also announced that negotiations for acquisition of the computer

service division of Mohawk Data Sciences Corp. had been terminated.

Edelman is chairman of the board of IT and MDS as well as Datapoint.

In announcing the leveraged buyout proposal for Datapoint, the corporation said Edelman proposed merging the company with a corporation yet to be organized.

"Edelman and certain of his affiliates, together with Charles Stevenson Jr., a director of Datapoint, and

certain other members of the board and management would be equity participants in the buyout group," a company news release said.

In response, Datapoint's board voted to retain some independent investment bankers to review the buyout proposal.

The company release said Edelman had retained Salomon Brothers Inc to assist in arranging financing for the buyout group.

Such a leveraged buyout would have to be approved by the stockholders, who do not have a regularly scheduled meeting until November.

Edelman said when he purchased controlling stock in the corporation in March it was possible he might take the firm private after returning it to profitability.

Datapoint announced a \$28 million loss in the third quarter of this year. An earnings statement for the

fourth quarter, which ended in July, has not been released.

Concerning TRW's takeover offer of IT, Edelman said in a prepared statement the buyout proposal was "highly conditional."

Edelman said IT's investment bankers Salomon Brothers advised the board the TRW proposal was adequate from a financial standpoint.

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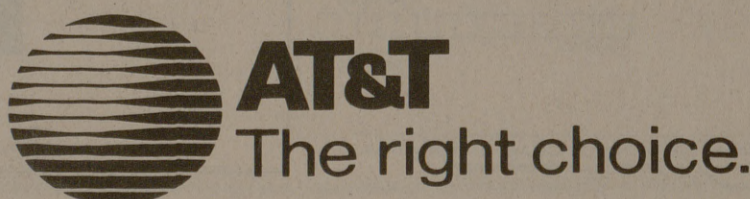
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