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Hollywood Movie Brings Money

'CIA' Man Ordered to Pay Lawyer

By LEE CATTERALI
The National Law Journal

HONOLULU — Ronald Rewald's undying propensity for attracting money has cost him free representation in his federal court battle here against charges that his securities firm defrauded investors of \$22 million.

Mr. Rewald, who asserts that his firm was actually a front for the CIA, has been ordered to hire a private attorney after signing a lucrative contract with a Hollywood film promoter who plans to make a movie with John and Jo Derek about his life.

U.S. Magistrate Joseph M. Gedon of Honolulu on Oct. 15 ordered Mr. Rewald to pay 25 percent of his \$1,000 weekly salary from the film promoter to Van Nuys, Calif., attorney A. Brent Carruth of Goodwin & Carruth.

Mr. Rewald had been assigned federal public defender Michael Levine after being indicted in August by a federal grand jury on 100 counts stemming from his activities as an investment counselor heading the now-bankrupt Honolulu company of Bishop, Baldwin, Rewald, Dillingham & Wong.

A U.S. magistrate says that Mr. Rewald should temper his lifestyle and make efforts to pay for his own defense lawyer.

Mr. Rewald is accused of defrauding investors of \$22 million. *U.S. v. Rewald*, 81-02417.

Mr. Levine still is assigned to the case as Mr. Rewald's co-counsel, but Mr. Rewald may be ordered eventually to compensate the government for that representation if he makes a profit from selling the rights to his life story.

Mr. Rewald, 42, also is retaining San Francisco attorney Melvin M. Belli to represent him in three suits against the U.S. government. He is seeking more than \$2 billion in connection with his alleged work for the CIA, which he says is responsible for the conduct of his investment business and his bankruptcy. (NLJ, June 11.)

Take a Bus

Mr. Belli's firm also is responsible for steering Mr. Rewald to film promoter Ronald Kauffman, the 31-year-old owner of Voyager Communications Inc. Mr. Kauffman has paid Mr. Rewald \$25,000 up front plus \$1,000 a week, and promised half of all profits for exclusive rights to his life story.

In addition, Mr. Kauffman has been paying Mr. Rewald's \$3,400-a-month rent on a two-story Tudor-style home in an exclusive Los Angeles neighborhood, and the monthly fee to lease a Ford LTD station wagon.

Mr. Kauffman has signed a \$7 million contract with the Dereks to produce their next three movies, and has been quoted by Variety as saying the Rewald story will be his "explosive" Hollywood debut.

On Oct. 1, U.S. Magistrate Bert Tokairin of Honolulu ordered Mr. Rewald to find private counsel after learning of his financial rebound. The magistrate said Mr. Rewald should temper his lifestyle and make efforts to pay for his defense.

"He doesn't have to live in West Los Angeles," Magistrate Tokairin said.

"He should and could move into a more reasonably priced house."
"The car is a luxury," he added. "He should take a bus."

Potential Witness

At the Oct. 15 hearing, Mr. Rewald showed up with both Mr. Carruth and Mr. Levine, arguing that he should not be forced to rely solely on private counsel. Mr. Levine said it would cost Mr. Rewald \$200,000 to \$500,000 "up front" to hire a qualified attorney to defend himself against the federal indictment.

Mr. Rewald also told the magistrate that he intends to move to less expensive quarters.

Mr. Carruth agreed to represent Mr. Rewald at a rate of \$20 to \$30 an hour, plus expenses. He also represents accused spy Richard Craig Smith in a federal criminal case in Virginia; Mr.

Rewald is a potential witness in that case because Mr. Smith claims to have contacted the CIA on a matter connected with his case through one of Mr. Rewald's telephone numbers.

Mr. Rewald's trial in federal court, originally scheduled to begin this month, has been postponed until March in order to give Mr. Carruth time to prepare for the case.

Mr. Rewald also is set to stand trial in state circuit court here in January on theft charges connected with his firm. There, he continues to be represented by a court-appointed attorney, Samuel P. King Jr., a sole practitioner here and the son of Hawaii's chief federal judge. *State v. Rewald*, CR59146.

Mr. King, who has been paid a \$3,000 lump sum by the state to represent Mr. Rewald, said he expects to be taken off the case because of his client's newfound wealth.

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