

Financier Is in Contempt

San Diego

Financier C. Arnholt Smith was found to be in contempt of court seven times yesterday after refusing to answer questions in the trial of a man accused of attempted extortion.

Superior Court Judge Paul Eugene Overton found Smith in contempt and ordered him to return to court June

13, warning that "the long arm of the law is upon you."

Smith, 75, invoked the Fifth Amendment seven times in the trial of Robert Daggett, who is charged with offering to change grand jury testimony given by his brother if Smith would buy up to \$20 million worth of property for him.

Smith, a long-time friend

of President Nixon and a major campaign contributor, is former president of United States National Bank, which collapsed last year in the nation's biggest bank failure.

He refused to answer questions regarding conversations between himself and a Los Angeles tax attorney concerning contacts between the Daggett brothers.

The tax attorney, Richard Trattner, advised Smith on tax fraud matters. Smith faces a \$23 million income tax claim, the largest ever filed by the Internal Revenue Service against an individual, and has been the subject of a grand jury investigation.

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