

Smith Ex-Auditor Held for Extortion

San Diego

A former auditor for C. Arnholt Smith was arrested yesterday on a complaint charging him with attempted extortion of between \$10 million and \$20 million from Smith, a financier friend of President Nixon.

Pliny A. Daggett, 50, identified as auditor until 1971 for 10 corporations controlled by Smith, was arrested along with his brother Robert P. Daggett, 49, by Federal and State agents.

At a news conference, District Attorney Ed Miller said the brothers would be arraigned on State charges of solicitation to commit perjury, conspiracy to bribe and delivery of a threat to extort.

Miller said Pliny Daggett was Smith's auditor from 1956 until his dismissal in February, 1971. He was subpoenaed last September to testify before a Federal grand jury investigating Smith's finances.

According to the State's complaint, Pliny Daggett telephoned an attorney for Smith on October 1 and said he had been subpoenaed to testify but indicated he could testify "several ways," Smith said.

The Daggett brothers then allegedly met with two attorneys for Smith and produced documents which they claimed would be incrimi-

nating. Miller said Robert Daggett, real estate consultant, indicated that his brother might change his testimony if Smith would buy him Los Angeles county and San Diego county properties valued at between \$10 million and \$20 million.

Lender to Smith

Sues for \$1.05 Million

San Diego

A Nebraska insurance company filed suit against C. Arnholt Smith Thursday, demanding immediate payment of \$1.5 million said to be still owing on a 1967 loan of \$1.5 million to the San Diego financier.

The Superior Court complaint by Bankers Life Insurance Co. said Smith has made all payments on time so far, but the loan is being accelerated because of the collapse last month of Smith-controlled U.S. National Bank.

Attorney David Monahan of the insurance company said Smith pledged 82,000 shares of the bank as security for the loan. Monahan declined to state the purpose of the loan.

Under an agreement based on the value of the bank stock, the insurance company asked for additional security October 22.

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