

New President of Westgate Voted

San Diego

Herbert Kunzel is the new president of Westgate - California Corp., replacing Philip A. Toft, who was forced to resign in settlement of a Securities and Exchange Commission lawsuit.

Kunzel, 65, former president of International Harvester's solar division, also was named chairman of the conglomerate's three-member executive committee by its new board of directors.

Five of the seven directors, including Kunzel, were appointed by U.S. District Court Judge Leland Nielsen and approved by the SEC under terms of last month's settlement. Besides Toft, chairman C. Arnholdt Smith was forced to resign as an officer of the company his family formed in 1960.

The SEC suit accused Smith, Toft and several companies of scheming to drain millions of dollars from Westgate and the now defunct, Smith - controlled U.S. National Bank.

In related developments:

Crocker Bank, which purchased the assets of U.S. National Bank, agreed with Nielsen's approval to honor nearly \$5 million in certificates deposited at U.S. National by two Westgate subsidiaries, Westgate Life In-

urance Co. and Westgate - California Insurance Co. Crocker has refused to assume most Smith - connected debts.

The trustee of U.S. National Bank's pension fund, Angus McDonald, said the fund contains \$666,000 in valueless securities but more than \$1 million in sound securities, enough to pay all retired former employees and probably most of what it owes to those still working.

Franklin National Bank of New York filed a Superior Court suit here demanding immediate payment of a \$750,000 loan it said Smith signed for in April.

Franklin National said that Smith signed the promissory note April 23 and stopped making interest payments October 1. A bank attorney refused to state the purpose of the loan.

The bank asked the court to order payment of \$750,000 plus \$10,432 interest. Smith, the financier friend of President Nixon, has a month to reply.

Smith also faces several multimillion - dollar lawsuits, including a similar loan suit filed last week by an insurance company, as well as a federal grand jury investigation and a \$22.8 million income tax lien.

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