

Jury in Probe of Financier

SAN DIEGO —(UPI)— A federal grand jury has joined the investigation into the financial empire of C. Arnholt Smith, and it is reported to be looking into possible criminal violations.

The banker - industrialist made a 10-minute appearance before the grand jury here Monday, but Warren Reese, chief assistant U.S. attorney who is handling the probe, had "no comment" on Smith's appearance or the extent of the grand jury investigation.

Smith has also filed a new plea with the U.S. District Court for relief in a legal battle with the Internal Revenue Service.

The Los Angeles Times today quoted a Smith spokesman as saying the financier wanted the federal court to let him obtain papers from a bank storage vault.

The Times quoted the spokesman as saying Smith is asking the IRS to "live up to the terms" of a previous agreement.

The IRS refused to let Smith enter the U.S. National Bank vault to obtain the "working papers," according to the spokesman.

Smith is a defendant in a civil lawsuit filed May 31 by the Securities and Exchange Commission. He and associates have been accused of misusing millions of dollars of assets of Westgate California Corp. and the U.S. National Bank.