

S.F. Chron  
4-25-75

## C. Arnholt Smith Fined \$10,000

### San Diego

A federal court judge yesterday imposed a maximum fine of \$10,000 on financier C. Arnholt Smith, a longtime friend and financial supporter of former President Nixon, for making illegal corporate campaign contributions.

Visiting U.S. District Judge Robert Schnacke of San Francisco dismissed three other charges of violating federal campaign laws against Smith, 76.

A federal jury convicted Smith on March 20 of making two unlawful contributions totaling \$4000 through his Sovereign State Capital Corp. to the unsuccessful 1970 re-election bid of former U.S. Senator George Murphy (Rep-Calif.). Both counts were misdemeanors.

But the jury of six men and six women deadlocked on charges against the corporation and two other counts against Smith that a total of \$6000 was illegally funneled to Mr. Nixon's 1972 presidential campaign.

"The court knows this is far from an isolated instance," Schnacke said of violations of federal cam-

paign laws. "The fact that everybody does it is no excuse. The time has come for everybody to stop doing it."

Smith's attorney, Thomas Sheridan of Los Angeles, obtained a five-day stay on payment of the fine to file a notice of appeal.

Still facing the financially-plagued Smith are 25 felony counts involving the alleged misapplication of \$27.3 million in loans through the United States National Bank of San Diego, which he controlled.

Smith, former president and board chairman of the now-defunct bank, and co-defendant Philip Toft, former president of Westgate-California Corp., are to stand trial June 16 on those charges.

In addition, <sup>2 APR</sup> Smith and many of his associates, including Toft, were named Monday in a \$1.5 billion suit filed by trustees of the bankrupt Westgate-California. The suit charges they systematically looted the publicly held company's assets for their own personal benefit, forcing it into bankruptcy in February, 1973.

United Press