

C. ARNHOLT SMITH IS FINED \$10,000

Three Charges Dismissed
in Campaign Fund Case

SAN DIEGO, April 24 (UPI)—A Federal Court judge imposed a maximum fine of \$10,000 today on C. Arnholt Smith, the financier and long-time friend and financial supporter of former President Richard

M. Nixon, for making illegal corporate campaign contributions.

Visiting District Judge Robert Schnacke of San Francisco dismissed three other charges of violating Federal campaign laws against the 76-year-old defendant.

A Federal jury convicted Mr. Smith on March 20 of making two unlawful contributions totaling \$4,000 through his Sovereign State Capital Corporation to the unsuccessful 1970 re-election bid of former United States Senator George Murphy, Republican of California. Both

counts were misdemeanors.

But the jury of six men and six women deadlocked on charges against the corporation and two other counts against Mr. Smith alleging that a total of \$6,000 had illegally been funneled to Mr. Nixon's 1972 Presidential campaign.

"The court knows this is far from an isolated instance," Judge Schnacke said of violations of Federal campaign laws. "The fact that everybody does it is no excuse. The time has come for everybody to stop doing it."

Mr. Smith's attorney, Thomas

Sheridan of Los Angeles, obtained a five-day stay on payment of the fine to file a notice of appeal. Mr. Sheridan argued that Mr. Smith's conviction of using the corporation as an instrument for the campaign contributions was tenuous since the jury failed to convict the corporation.

Mr. Smith, asked by Judge Schnacke for comment before sentencing, replied: "I have nothing to say, your honor."

Still facing the financially plagued Mr. 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.

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

In addition, Mr. Smith and many of his associates, including Mr. Toft, were named Monday in a \$1.5-billion suit filed by trustees of the bankrupt Westgate-California. The suit charged that they systematical-

ly looted the publicly held company's assets for their own personal benefit, forcing it into bankruptcy in February, 1973