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g Tax Lien Filed Against Nixon Friend

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LOS ANGELES, Aug. 3—The Internal Revenue Service today filed a \$22.8 million personal income tax lien, one of the biggest ever for an individual for a single tax year, against C. Arnholt Smith, San Diego financier and friend of President Nixon.

The IRS also moved swiftly to levy against Smith's assets. Notices of the claim on all assets up to \$22.8 million were being served on San Diego banks and other businesses, according to sources there. The IRS declined to discuss the levies or where the notices were being served.

The IRS simultaneously served on Smith an unusual "jeopardy assessment" for a claimed 1969 tax deficiency.

A jeopardy assessment, an administrative action that is nevertheless recognized as a harsh step and is used sparingly, is employed when there appears to be urgent need for acting quickly without notice.

Copies of the lien were filed in various California counties.

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\$22 Million IRS Tax Lien Filed on Arnholt Smith

SMITH, From A1

The lien represents a top-priority claim against property owned by the 74-year-old banker-industrialist and political campaign donor. It includes \$3.8 million claimed as interest due on the tax bill.

There was no comment on the IRS action today from executives of Smith's San Diego-based empire. Smith himself was reported to be "out of town."

Smith's holdings include controlling interest in Westgate-California Corp. and U.S. National Bank, both publicly-held.

A conglomerate, Westgate operations include Yellow Cab firms in California and Phoenix; the Westgate Plaza, a San Diego luxury hotel; the U.S. National Bank Building there, and canneries that produce seafood, including Breast-O'-Chicken and Carnation tuna, in San Diego and Puerto Rico.

The IRS moves came at a time when Smith has been involved in extraordinary cash-raising efforts to hold his complex of public and private enterprises together in the wake

of actions by two other federal agencies.

One was the filing of a civil suit May 31 by the Securities and Exchange Commission accusing Smith and others with a fraudulent scheme to appropriate to their own use the assets of Westgate and the bank.

Westgate, a defendant, this week denied all the allegations and asked for dismissal of the suit, scheduled for trial Oct. 16. Smith and his associates also had previously denied the SEC allegations.

Another agency, the U.S. Comptroller of the Currency, which regulates national banks, filed a cease-and-desist order last May requiring U.S. National Bank to liquidate millions of dollars in loans it made to Westgate and related Smith enterprises.

In consenting to the order, Smith relinquished his place in the bank's management and indemnified the bank for any loss on the Westgate-related loans.

Among Smith's first acts after the entry of the order was to announce a \$12 million deal to sell his National League baseball team, the San Diego Padres, to a Washington, D.C., group.