

Smith OKs Resignation At Westgate

San Diego

C. Arnholdt Smith agreed yesterday to resign as chairman of Westgate-California Corp. in an out-of-court settlement of the Securities and Exchange Commission's civil fraud suit against his conglomerate, a judge announced.

U.S. District Court Judge Leland C. Nielsen reported the settlement, agreed to by attorneys for both sides, six days before the case was to come to trial.

Nielsen said Smith, a long-time friend and financial supporter of President Nixon, and Westgate President Philip A. Tost, agreed to resign as officers and directors of the giant transportation and seafood processing conglomerate.

Another provision allows Nielsen to appoint five of Westgate's seven directors, with SEC approval. The Judge said he and the SEC also will have veto power over a new board's selection of a special counsel to investigate past financial actions and practices of the company and its management.

Nielsen said the settlement requires formal SEC approval, "which I understand will be forthcoming."

Documents filed with the court said Westgate and its subsidiaries received \$160 million in loans from the bank, but had no record of the money.

Associated Press