



C. Arnholt Smith was led handcuffed into the San Diego county jail UPI Telephoto

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**C. Arnholt Smith  
Again Indicted**

San Diego

Financier C. Arnholt Smith, who pleaded no contest to federal charges of swindling his own bank, was indicted by a county grand jury yesterday on a charge of conspiring to steal more than \$60 million from the now defunct firm.

Smith, along with close associate Phillip A. Toft, was arrested in his 19th floor office suite in the U.S. National Bank he once controlled by investigators from the district attorney's office.

The 58-count indictment also charged state income tax evasion, grand theft, misapplication of bank funds and forgery.

The 76-year-old Smith, a high school dropout who became former president Richard Nixon's personal friend and accumulated a personal fortune of \$20 million, was released, as was Toft, on his own recognizance.

Superior Court Judge Douglas R. Woodworth waived \$50,000 bond for Smith and a \$25,000 bond for Toft, 53, a former executive vice president and later president of Westgate-California Corp., in a hearing after they were booked.

Smith, the former president and board chairman of U.S. National Bank and Westgate-California Corp., was indicted by a federal grand jury in July, 1974, on 25 counts, charging that he and Toft conspired to defraud the bank of \$170 million in loans.

Smith pleaded no contest last June to four counts of scheming to defraud the bank while Toft pleaded no contest to three. The remaining counts were dismissed. Both men then were given two-year suspended sentences. Smith was fined \$30,000 and Toft \$25,000.

The county grand jury, which heard testimony from 48 witnesses for more than three months, charged yesterday that between June 1, 1972, and May 25, 1973, Smith and Toft committed "121 acts" in a conspiracy to steal more than \$60 million.

The indictment charged that Toft and Smith ordered Edward P. Schroeder Jr. to open accounts in banks outside the United States in order to mislead bank examiners about the use of proceeds of loans granted by USNB.

Schroeder was Smith's chief bookkeeper from 1971 until late 1973. He testified before the federal grand jury and was granted immunity in exchange for testimony before the county grand jury about Smith's complicated financial dealings.