

F.D.I.C. Charges C. Arnholt Smith

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SAN DIEGO, Calif., Sept. 29 (AP) — C. Arnholt Smith, the financier, and companies he controlled are being sued for \$21.3 million by the Federal Deposit Insurance Corporation, which alleges conspiracy and fraud.

As receiver for Mr. Smith's United States National Bank, the F.D.I.C. filed the suit in an effort to pay off debts left when the bank failed in late 1973.

It asked for collateral securing promissory notes and sale of other collateral.

The defendants were listed as Mr. Smith, Golden West Airlines, Hollis B. Roberts, Roberts Farms, Sovereign State Capital Inc., National Marine Terminals Inc., the Commerce Reinsurance

Corporation, Louis X. Sheid and James M. Harmon.

Mr. Roberts, a long-time Smith associate, was listed as president of Roberts Farms, Mr. Harmon as an officer and director of Golden West Airlines and Mr. Sheid as an officer of the defunct bank.

A total of \$6.5 million on loans to Golden West, secured by letters of credit from Mr. Smith's bank, was diverted to other concerns that Mr. Smith controlled, the suit charged.

Mr. Smith, Mr. Sheid and Mr. Harmon arranged for Golden West to apply for the loans and fraudulently represent that the airline would use the money and repay it, according to the suit, filed yesterday.