

LL&T 'Warned,' Official Testifies

John M. Kelly, a top enforcement officer of the Securities and Exchange Commission, testified here he warned officials of the Louisiana Loan & Thrift Corp. in August 1966 the firm was in violation of SEC regulations.

Kelly, chief enforcement attorney for the Atlanta regional office of the SEC, testified yesterday in U.S. District Court. It was the third day of pre-trial hearings on a series of motions by state Atty. Gen. Jack Gremillion and four others indicted in connection with operations of LL&T, which went bankrupt.

The hearing was continued late yesterday until Monday morning.

The defendants are charged with conspiracy, fraud in the sale of securities and mail fraud in the case.

Those named in a 16-count indictment by a U.S. Grand Jury last year include Gremillion; state Rep. Salvador Anzelmo of New Orleans, a former LL&T attorney; Charles H. Ritchey of Metairie, former LL&T president; Joseph Kavanaugh of Baton Rouge,

an attorney, and Ernest A. Bartlett Jr. of Fort Smith, Ark., former LL&T board chairman.

Kelly told the court that when he learned savings certificates were being guaranteed by Savings Guarantee Corp., an Arkansas firm, he told LL&T officials the guarantee by the out-of-state firm constituted a violation of SEC regulations.

He said he issued the warning to Bartlett, Anzelmo and William A. Glennon, a New Orleans attorney who was one of the founders of LL&T.

Glennon is named as a co-conspirator but is not under indictment.