

AUGUST 15, 1968

ON PROXY VOTE LIST**Gremillion Owned
LL&T Stock in '67**

Atty. Gen. Jack P. F. Gremillion, who has stated he had no personal interest in the fortunes of the financially troubled Louisiana Loan & Thrift Corp., held 10,000 shares of the firm's stock as late as July, 1967.

Gremillion's dealings with LL&T, which is now in receivership, are currently the subject of an investigation by the Louisiana Board of Ethics for Elected Officials.

THE ATTORNEY general's stock holdings in LL&T were revealed by a list of stockholders who cast proxy votes at a meeting in July, 1967.

Gremillion, asked for comment, made the following statement today:

"I do not own nor have I ever owned stock in Louisiana Loan and Thrift. There was a suggestion that I do so at a time prior to the company going in business, but I rejected the offer because I did not wish to get involved.

"**IF MY ACCUSERS** are correct, let me ask, 'Where is the stock?' Produce it or shut up.

"Inferences are one thing, but fact and truth are another."

It has also been learned that Gremillion attended a meeting of the LL&T board in August, 1967, and took part in a discussion about the possibility of issuing common stock.

Records reflect that when the question of who would sign the stock certificates came up, Gremillion suggested that the company's by-laws be changed to allow any two elected officers of the company to sign instead of only the president and the chief executive officer.

GREMILLION HAS admitted that he received a \$10,000 legal fee for helping to organize the company in 1966. It has since been learned that the attorney general received two loans totaling \$150,000 from LL&T shortly before it filed a petition in the federal bankruptcy court for a rearrangement of its affairs earlier this year.

The attorney general maintained, however, that:

"It was a private matter which I had the right to do. There is no conflict of interest. I have no connection with the company. I had no interest in it and no stock in it."

Gremillion issued an important opinion that placed the savings-loan company under the Louisiana State Banking Commission and beyond the control of the Securities and Exchange Commission.

BANKING COMMISSIONER A. Clayton James has stated that his commission assumed responsibility for overseeing LL&T solely on the basis of Gremillion's opinion.

James has said, however, that the commission never actually supervised LL&T's operations or audited its books.

Gremillion issued his opinion at a time in 1966 when LL&T had come under the scrutiny of the SEC.

The firm's articles of incorporation state that it shall not

engage in the banking business.

LL&T was so bound up with two Arkansas companies — Arkansas Loan and Thrift Corp. and Savings Guaranty Corp. — that when the two were placed in receivership by the SEC early this year, LL&T filed its petition with the federal bankruptcy referee. The matter is still before referee P. M. Flanagan.

The voting stock list from the meeting of LL&T last year also revealed that former Arkansas attorney general Bruce Bennett, who was an unsuccessful candidate for the Democratic gubernatorial nomination last month, held 46,666 shares of LL&T stock.

OTHER MAJOR stockholders reflected on the list were Ernest Bartlett, former LL&T chairman, 175,000 shares; state Rep. Salvador Anzelmo, 15,000 shares; board member Paul M. Brignac Jr., 20,000 shares, and William A. Glennon Jr., 30,000 shares.

At the August, 1967, board meeting the possibility of opening branch offices of LL&T outside Orleans Parish was discussed.

Pratt Farnsworth, LL&T vice-president, suggested the matter be put aside until Anzelmo and Gremillion could discuss the matter with commissioner James. Gremillion had offered the advice that as long as LL&T was under the banking commission's jurisdiction, the company

could not have any branches except in the domicile parish.

OTHERS ATTENDING that board meeting were Brignac, Bartlett, Benedict Cimini Jr., Harold Pique, Alfred T. Pattison, Joseph Riccobono, Noel C. Genevay Jr. and Charles H. Ritchey, former LL&T president.

The State Ethics Board met Monday to consider whether Gremillion's dealings with LL&T posed a conflict of interest.

The board has asked for more facts and has set a second meeting for Aug. 24 provided more information is available by then.