

**\$700 FROM LL&T**

# Gremillion Dividend Bared

A court-ordered audit of the financially troubled Louisiana Loan and Thrift Corp. has revealed that a \$700 dividend was paid to State Atty. Gen. Jack P. F. Gremillion on 10,000 shares of LL&T stock which he claims he never owned.

The audit, by Peat, Marwick, Mitchell & Co. under orders of federal bankruptcy referee P. M. Flanagan, was made public late yesterday.

The \$700 was paid to Gremillion, according to the audit report, by way of a check to William A. Glennon Jr. which was endorsed "Pay to the order of Jack P. F. Gremillion" and further endorsed "Deposit"—Jack P. F. Gremillion.

**GREMILLION'S** dealings with LL&T currently are the subject of an investigation by the Louisiana Board of Ethics for Elected Officials.

The attorney general issued an important opinion which placed the savings-loan firm under the jurisdiction of the State Banking Commission and beyond control of the Securities and Exchange Commission at a time when the SEC was threatening to supervise LL&T.

He received \$10,000 in legal fees for helping organize LL&T

and two loans totaling \$150,000 from the firm shortly before it went into receivership early this year.

He has flatly denied that he had any personal interest in the company or that his involvement with LL&T posed any conflict of interest.

The audit report also devotes a special section to the "undetermined" status of a note for \$25,000 signed by Glennon and Orleans Parish District Attorney Jim Garrison.

Garrison is shown in the report as holding 12,000 shares of Class A non-voting common stock in LL&T and 3,000 shares of Class B voting stock. The report also quotes Glennon as saying that Garrison was not a stockholder, however.

**GLENNON** is a law partner of State Rep. Salvador Anzelmo. Both were stockholders of LL&T. Glennon is also a former law associate of Garrison and a long-time friend of the DA's.

Earlier this week, it was learned that minutes of a stockholders meeting in July, 1967, indicated Gremillion owned 10,000 shares of LL&T. The minutes showed that his stock was voted at the meeting by proxy, but Gremillion denied ever owning the stock.

The controversial 10,000 shares is dealt with in the audit report under a special heading—"Jack P. F. Gremillion—\$15,000".

Referring to the \$15,000, the report says it is a debt of record and is equivalent to the sales price for 10,000 shares of LL&T stock. The report says Gremillion has confirmed his indebtedness in the two loans totaling \$150,000 but that he said in a letter to the auditor that he does not owe the \$15,000 for stock. "I have never subscribed to 10,000 shares of capital stock of said corporation. Therefore, this information is absolutely erroneous," the reports quotes Gremillion as saying.

**THE AUDIT** report goes on to say:

"Although certain of the company's stock records are missing, those which were on hand and available to us did not show shares issued in the name of Mr. Gremillion. However, the minutes of the annual meeting of the company's stockholders held July 11, 1967, state that Jack P. F. Gremillion was represented by proxy for 10,000 shares.

"When we first requested the file containing the proxies, it was not located but shortly thereafter was brought to us for our inspection. Our representatives found proxies from all shareholders who had been listed in the minutes as being represented except that no proxy from Mr. Gremillion was found.

"During our examination we were furnished with a list of stockholders to whom a dividend was paid on April 15, 1967, showing number of shares and amounts paid to

each stockholder. The list contains the name of Jack P. F. Gremillion as being entitled to receive a dividend of 10,000 shares at seven cents a share or an aggregate of \$700.

"A notation on this list states 'Keep in Bill Glennon's name.'

"We examined canceled dividend checks bearing the imprinted caption 'Dividend No. 1' and compared payees' names and amounts with the names and amounts appearing on the list. All were in agreement except for check No. 280 for \$700, the amount alongside Mr. Gremillion's name on the list, which check was made payable to William A. Glennon Jr.

"**THIS CHECK** was endorsed 'Pay to the order Jack P. F. Gremillion—William A. Glennon Jr.' and further endorsed 'Deposit Jack P. F. Gremillion.'

"Our representatives discussed the above-mentioned check with Mr. Glennon and he informed them that when he was given the check he had inquired as to its purpose and that he had been told it represented a dividend of Mr. Gremillion. He stated that he told LL&T not to give him the check, but to give it to Mr. Gremillion. He stated that upon being told to simply endorse the check over to Mr. Gremillion he had done so.

"Mr. Glennon said also that he did not think he had told Mr. Gremillion that the check covered a dividend paid by LL&T.

"Due to the poor condition of the company's stock records, the absence of these records, and the conflict between Mr. Gremillion's stated position and the information contained in the records of the company, the status of the \$15,000 amount shown as being due from Mr. Gremillion has not been resolved."

**THE AUDIT** also makes note of \$7,500 paid to Gremillion for legal services for a year—from July 1, 1966, to July 1, 1967. The check was dated June 23, 1966.

It was not clear if the \$7,500 was part of the \$10,000 Gremillion has acknowledged he received for helping to organize the firm. Gremillion has maintained he had no further dealings with the company after it went into business.