

## COURT-ORDERED STUDY

# Audit Reveals Gremillion Got \$42,700 LL&T Loan

A court-ordered audit of the books of the financially troubled Louisiana Loan & Thrift Corp. shows that State Atty. Gen. Jack P. F. Gremillion was given a \$42,700 loan by LL&T on Nov. 30, 1966.

It was previously reported that companies controlled by Gremillion received two loans from LL&T totaling \$150,000 and that Gremillion received \$10,000 as a legal fee for helping to organize the company.

**THE REPORT** of the auditors—Peat, Marwick, Mitchell & Co.—shows those two loans and a third one, made to Gremillion personally and secured by real estate in Capital Heights, East Baton Rouge Parish.

The loan, which carried eight per cent interest, was to have been paid in monthly installments of \$500, including interest. As of May 31, the balance was \$39,972.13. The balance was paid June 14.

Gremillion's dealings with the savings-loan company are the subject of an investigation by the Louisiana Board of Ethics For Elected Officials.

The attorney general issued an opinion, which placed LL&T under the supervision of the State Banking Commission and beyond the control of the federal Securities and Exchange Commission at a time when the SEC was investigating LL&T.

LL&T was closely intertwined with two Arkansas companies, Arkansas Loan & Thrift and Savings Guaranty Corp. When those two firms were placed in receivership in federal court, LL&T filed a petition in federal court here for a rearrangement of its affairs.

**LL&T IS NOW** in receivership.

Among the stockholders in LL&T was former Arkansas Atty. Gen. Bruce Bennett.

The auditors report shows that Bennett transferred 46,666 shares of LL&T stock to New Orleans businessman F. Emmett Meyer the same day Meyer was given a \$160,000 loan, secured by the LL&T stock.

The report lists the \$160,000 loan to Meyer under the section devoted to loans made to or endorsed by present or former stockholders, officers or directors of LL&T or to organizations in which they have an interest.

The loan was made to Meyer Nov. 7, 1967, and, the auditors said, "when the above mentioned loan of \$160,000 was made to Mr. Meyer, the company's stockholders' ledger shows transfers from Bruce Bennett to F. Emmett Meyer of the shares of stock pledged as collateral for this loan."

**THE LOAN**, which has not been repaid, is on a demand note carrying seven per cent interest, bringing the total owed by Meyer on the note to \$161,057.77 as of May 31, 1968.

When the auditors wrote to Meyer, asking that he confirm the amount of the debt, they received no reply.

Meyer also has seven other loans with LL&T with unpaid balances totaling more than \$200,000.

The audit also shows that State Rep. Salvador Anzelmo and his law partner, William A. Glennon Jr., received a \$45,000 legal fee for helping to organize the company and that they owe LL&T back rent.

**THE ENTIRE** second floor

of LL&T's building at 1301-05 Tulane ave. was leased by the firm to Anzelmo and Glennon for \$4,800 per year. According to the audit, the two attorneys owe the company an accrued rent of \$3,600, as of May 31, plus a note dated May 1, 1967, for \$1,600.

Additionally, the report shows that Anzelmo owes the company \$4,102, the unpaid balance on a \$4,452 loan dated Aug. 25, 1967, and \$12,500 for stock he purchased in 1966.

The financially troubled savings-loan company is now in receivership. The audit was ordered by federal bankruptcy referee P. M. Flanagan and the court appointed trustee for LL&T in receivership John A. Bennett.

The \$45,000 fee paid to Anzelmo and Glennon was charged off to organizational fees, but the auditors said, "We were unable to resolve the propriety of these charges to organization costs."

**ANZELMO**, the report said, has acknowledged the balance on the \$4,452 loan as accurate.

The \$12,500 debt, the report said, "is evidenced by the debtor's note for \$12,500 dated June 10, 1966, payable six months after date to the order of Arkansas Loan and Thrift Corporation. Company's records indicate its purchase of this note by payment May 12, 1967, of a draft drawn by Arkansas Loan and Thrift Corporation for \$12,500.

The report notes that this debt has not been confirmed by Anzelmo.

The \$1,600 note was signed by Anzelmo and Glennon for four months rent (January through April, 1967). Under the same section, the report said that Anzelmo and Glennon owe \$380 for utility deposits and An-

zelmo owes \$684.70 on a note he signed for LL&T to pay interest for him to Arkansas Loan and Thrift.

**THE REPORT** is highly critical of the condition of LL&T's records, including its stock books.

It notes that \$672,829 in loans by LL&T were made to, or endorsed by, present or former stockholders, officers and-or directors or to organizations in which they appear to have "a beneficial interest."

Of this amount \$248,918 worth in loans are delinquent.