

Jury Is Selected For LL&T Trial

BULLETIN

Seven men and nine women today were selected as the jury in the trial of Atty. Gen. Jack P. F. Gremillion, state Rep. Salvador Anzelmo and Ernest A. Bartlett Jr. in connection with the operations of the Louisiana Loan and Thrift Corp. The jury, selected at 2:30 p.m., will include 12 jurors and four alternates.

Tedious selection of a jury began today in the federal court trial of Atty. Gen. Jack P. F. Gremillion, a state legislator and an Arkansas businessman charged with fraud and conspiracy in the financial collapse of Louisiana Loan and Thrift Corp.

By noon, 49 prospective jurors had been excused.

A panel of 148 jurors was called as the screening of a potential jury got under way in the court of Judge Alvin B. Rubin.

In the opening minutes 42 prospective jurors were dismissed as hardship cases, but about 30 of them were recalled to court when Judge Rubin said they were excused prematurely.

He brought them back after talking in his chambers with attorneys for both sides. Rubin said a cross-section of the population must serve on the jury, even though some may suffer some hardship.

Defendants in the case are Gremillion, state Rep. Salvador Anselmo and Ernest A. Bartlett of Fort Smith, Ark., former chairman of the board of LL&T.

ALL THREE MEN sat silently alongside their attorneys in court as the jury selection began. They are charged with conspiracy and fraud in the sale of securities, mail fraud and sale of unregistered securities in connection with the defunct corporation.

At the outset of questioning jurors, Rubin asked all 148 veniremen if there were any serious personal, family or business problems that would prevent their attendance during the course of the trial, expected to last five weeks.

About 50 stepped forward and of

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these 42 were dismissed almost immediately.

RUBIN EARLIER HAD said he hoped jury selection could be completed by the end of the court session today, but as time ground on, that prospect appeared unlikely.

The potential jurors were read a list of witnesses to be called in the case and asked if they were familiar with them.

Included on the list were State Sen. Jamar W. Adcock, Highway Department Director Leon Gary and Ashton Phelps, president and publisher of The Times-Picayune Publishing Corp.

Questioning potential jurors were U.S. Atty. Gerald P. Gallinghouse and Edward J. Barnes, representing the government, and attorneys F. Irvin Dymond, Kenneth Scullion, Jerome Winsberg and Walter Gemienhardt, representing the defendants.

Charles H. Ritchey of Metairie, former president of LL&T, and Baton Rouge attorney Joseph Kavanaugh were also named as defendants in the grand jury indictment.

Kavanaugh, once counsel for the

state Banking Department and Louisiana Public Service Commission, was allowed a separate trial. No date for it has been set.

Ritchey pleaded "no contest" to the charges. He has not been sentenced.

Listed as co-conspirators, but not defendants, in the indictment were William A. Glennon, a New Orleans attorney, and the late A. Clayton James, who was state banking commissioner.

LL&T opened in Louisiana May 26, 1966. It was reorganized under federal bankruptcy laws soon after a petition had been filed for reorganization in November, 1968.

The company was described in the indictment as one side of an intricately designed financial structure which also involved Arkansas Loan and Thrift, Fort Smith, Ark., and Savings Guaranty Corp.

SAVINGS GUARANTY was billed by its promoters as the surety firm that guaranteed the investments and loans of LL&T and AL&T.

The indictment charged that SGC was an affiliate of LL&T and AL&T

and that it was financially unable to guarantee the deposits in LL&T, originally organized as a loan and investment firm.

It also charges that SGC was misrepresented as being supervised by the Louisiana Insurance Commission.

"Funds of LL&T were diverted, dissipated, converted and misappropriated for the direct and indirect benefit of the defendants," the indictment read in part, "in the guise of fees, advances, loans, expenses and political contributions."

THE INDICTMENT described Gremillion as an LL&T stockholder and active in the firm's affairs while serving as attorney general.

Gremillion was charged with helping LL&T avoid registration with the U.S. Securities and Exchange Commission when its "bond investment certificates" were offered for sale without being classified as securities.

He also was charged with having received checks totaling more than \$150,000 as part of the conspiracy.

Gremillion, attorney general since 1956, has testified before a state legislative committee that he got a \$10,000 legal fee from LL&T and that's all.



Atty. Gen. Jack P. F. Gremillion
gives peace sign during court recess