

LL&T PAID \$15,000 FEE
TO GARRISON -- WITNESS

By ALLAN KATZ
and KERMIT TARLETON

Fee Said Paid to Garrison

Continued from Front Page

Glennon also was a law partner of Anzelmo.

IN TODAY'S questioning, Barnes asked Glennon if he and Anzelmo were paid an attorney's fee for their work for the firm during 1966, when it was organized. Glennon answered that no fee was paid in the pre-incorporation stage.

"When were you paid a fee?" Barnes asked.

"Sometime in June, 1966." Glennon answered, identifying a \$45,000 check made out to him and Anzelmo dated June 11, 1966.

"Was this fee shared by you and Mr. Anzelmo?, Barnes asked.

"No, Mr. Jim Garrison had referred this to us so he received a percentage," Glennon said.

ASKED IF GARRISON played any role in the operations of LL&T, Glennon said:

"No, not at all. He received one-third of the attorney's fee—\$15,000."

Asked if a portion of the fee were used to buy LL&T stock, Glennon said, "It certainly was. Originally we were only offered a \$5,000 legal fee and were told by Mr. Bartlett we had to buy \$10,000 worth of stock."

GLENNON THEN testified he made out a \$20,000 check to LL&T in behalf of himself and Garrison to buy stock in the company and added, "half was for Mr. Garrison."

Glennon said the shares were issued to him and then pledged back to the corporation.

During Garrison's re-election campaign in 1969, his opponent, Harry Connick, charged the DA owned stock in LL&T and produced what he

said were documents showing that. It was then that Garrison made his statement denying a financial interest in the firm.

HOWEVER, GARRISON said he almost bought some stock in the company after Glennon told him he could do so without putting up any money. He said he backed out after forming doubts in his mind about the arrangement.

Glennon resumed the stand this morning after a one-day break in the trial yesterday.

Glennon is named as a co-conspirator in the indictment but was not indicted. Garrison was not named at all.

Also in testimony today, Glennon said he endorsed a \$700 dividend check from LL&T to Gremillion. Gremillion previously has denied receiving anything other than a \$10,000 legal fee from the firm.

"I WAS SHOWN this dividend check at LL&T's office," Glennon said. He said he asked what it was for and was told by Charles H. Ritchey, LL&T general manager, that the attorney general was entitled to it. He said this happened in 1966 and two years later he talked with Gremillion about the check.

On another matter, Glennon said that in June, 1966, the LL&T board of directors elected former Gov. James A. Noe president of the corporation but Noe was never able to operate because of illness.

Glennon said stock was listed in the names of a number of people who did not actually own it. One of these, he said, was Charles Ray Ward, then Garrison's chief assistant and now an assistant city attorney.

District Attorney Jim Garrison received a \$15,000 legal fee from Louisiana Loan and Thrift Corp., and at least some of the money was used to buy stock in the company, a former law partner of Garrison testified today.

William A. Glennon Jr. was the star witness today as the fraud trial of Attorney General Jack P. F. Gremillion and two other men resumed before Federal District Judge Alvin B. Rubin.

Under questioning by Edward J. Barnes, special prosecutor for the Justice Department, Glennon brought up the name of Garrison, who has maintained he never had "a dollar's worth of interest in the company."

HOWEVER, IT WAS unclear from Glennon's testimony whether any of the stock he said he bought with Garrison's legal fee actually was purchased in Garrison's name.

Although the matter of Garrison's owning or not owning stock in LL&T was hashed over in the 1969 DA's campaign, today's testimony by Glennon was the first public reference to Garrison getting any legal fee from the financially troubled firm.

Garrison was not available for comment on Glennon's testimony today.

Glennon was named a co-conspirator in the indictment that included Gremillion, state Rep. Salvador Anzelmo and Ernest Bartlett Jr. of Booneville, Ark., as defendants. They are charged with conspiracy, mail fraud, fraud in the sale of securities and sale of unregistered securities, and it is charged that these dealings led to the financial ruin of LL&T.

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Glennon Testifies

At LL&T Trial

Attorney William A. Glennon was the first witness today in the federal fraud trial of Louisiana Attorney General Jack P. F. Gremillion and two others in connection with the operations of the bankrupt Louisiana Loan and Thrift Co. Glennon had been on the stand when the trial recessed Tuesday.

Gremillion, state Rep. Salvador Anzelmo and Arkansas businessman Ernest Bartlett Jr., chairman of the board of LL&T, are on trial in the court of U.S. District Judge Alvin Rubin.

Glennon was questioned by Edward J. Barnes, a special prosecutor for the U.S. Department of Justice.

BARNES ASKED Glennon to identify a dividend check from LL&T made out in Glennon's name.

He also asked him to identify a second dividend check which Glennon said was for \$700 made in the name of Gremillion.

Glennon said he went to Ritchey and asked if Gremillion was entitled to this dividend. He said he (Glennon) later endorsed the check for deposit to the account of Gremillion.

Glennon also identified an affidavit which he said was made out in law offices that he and Anzelmo shared, saying Gremillion was to handle legal matters for LL&T.

He later identified a second affidavit which he said he and Anzelmo drew up stating that Gremillion was entitled to a \$10,000 payment for services to the company.

IN THESE EARLY stages of the testimony Jerome Winsberg, who represents Bartlett, objected to any testimony involving conversations between Bartlett and Glennon on grounds it violated attorney-client relationships. The judge ruled that Glennon could testify only to conversations where a third party or more persons were present.

Glennon said he asked for and received from Mrs. George L. Degan, a former employe of LL&T, who has also been referred to in the trial as Janice Coman, documents that would indicate that 10,000 shares of stock were actually in Gremillion's name and not in his own.

Glennon said he feared the company later would seek payment from him for the shares Gremillion owned.

Glennon also identified a proxy for 2,000 shares signed by Gremillion.

GLENNON SAID HE, Anzelmo, Bartlett and then-

but that SLIC did not have nearly the assets necessary to cover all of the deposits of the companies they represented.

BARNES CONTINUED his examination of Glennon, asking him about Bartlett's position in LL&T.

Q. What was Mr. Bartlett's position?

A. He was chairman of the board—I might say in general that Mr. Bartlett ran the company. (Glennon checked the minutes of LL&T and said Bartlett was named board chairman and chief executive officer June 10, 1966).

Q. When did he maintain that position?

A. From that moment on.

Q. Do you know Mr. Charles Ritchey?

A. Yes.

Q. Was he a member of the board?

A. Yes.

Q. What other position did he hold in the company?

A. General manager.

Q. When was he named?

A. Sometime in March, 1967.

Q. Were any other attorneys retained by LL&T at this pre-incorporation stage?

A. All that I know about that is what other people told me.

Q. What other people?

A. Mr. Bartlett and Mr. Bruce Bennett, attorney general of Arkansas.

Q. Was this told to you at a meeting at the Royal Orleans in late December, 1967?

A. Yes. Mr. Bennett said he knew Mr. Gremillion well and that Mr. Gremillion had looked into the matter and felt LL&T could operate within the laws of Louisiana without any trouble.

Q. Were you and Mr. Anzelmo paid an attorney's fee for this?

A. Not in the pre-incorporation stage.

Q. When were you paid a fee?

A. Sometime in June, 1966. (Glennon then identified a \$45,000 check made out to him and Anzelmo dated June 11, 1966).

Q. Was this fee shared by you and Mr. Anzelmo?

A. No, Mr. Jim Garrison (Orleans Parish district attorney) had referred this to us so he received a percentage.

Q. Did Mr. Garrison play any role in the operations of LL&T?

A. No, not at all. He received one third of the attorney's fee—\$15,000.

Q. Was a portion of this fee used by you to buy LL&T stock?

A. It certainly was. Originally we were only offered a \$5,000 legal fee and told by Mr. Bartlett we had to buy \$10,000 worth of stock.

U.S. Securities and Exchange Commission in the office of LL&T and were informed that the SEC was investigating the company just a week after it had opened.

He said Kelly told him and Anzelmo at a later meeting that in the SEC's opinion, the word "securities" could be applied to the passbooks being offered to the public which had not been registered and to the contract between LL&T and Savings Guaranty.

Glennon said Kelly further notified LL&T officials that in the opinion of the SEC, the sale of a passbook to a person out of state violated SEC regulations.

GLENNON SAID that he and Anzelmo told Kelly they had no idea LL&T was violating any SEC rules. "We told him we wanted his advice on what we could do about it."

Glennon then identified letters written by SEC officials to LL&T warning that LL&T appeared to be in violation of federal law.

Barnes continued his questioning.

Q. Did you go to Atlanta to see Mr. Green of the SEC?

A. Yes, Mr. Anzelmo and I went to Atlanta in August and again in September of 1966 to see Mr. Green.

Q. What was the substance of your conversation with him?

A. Mr. Green said he believed we were acting in good faith but that he had doubts about our surety corporation.

We asked if he could tell us why he was concerned about the surety. He said he was concerned about Arkansas' control of LL&T.

Q. What else did he say?

A. We were ordered not to make any loans. That was 60 days after we opened our doors and had \$15,000 a day coming in. We asked him how we could go about registering our securities. He said it would take 90 days and he could not guarantee the issuance of the securities because of the financial condition of LL&T and our surety company.

We then went to Baton Rouge and met in the governor's office with many of the insurance companies that do business in the state.

Q. Who else was there?

A. Louis Quinn, executive assistant to the governor, Mr. Anzelmo and myself.

Q. Who arranged the meeting?

A. I didn't and I assumed Mr. Anzelmo did.

Q. Did any of the Louisiana surety companies agree to write a guarantee for LL&T?

A. No. They said they did not have the know-how to write the kind of surety we

in late December, 1961.
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Glennon also identified a proxy for 2,000 shares signed by Gremillion.

GLENNON SAID HE, Anzelmo, Bartlett and then-Arkansas attorney general Bruce Bennett were present in a meeting at the Royal Orleans Hotel in 1965 when the operations of Arkansas Loan and Thrift were described and balance sheets and financial records produced.

Glennon said the Arkansas people said it appeared that Louisiana would be ideal for the establishment of a similar company and that New Orleans would be an excellent place for a home office because it was in the most populous area of the state.

Glennon said he and Anzelmo were requested to assist in the formation of the company and that since it was necessary to provide a substantial initial capital for such a company they were asked to interest prospective investors.

He said he approached all his relatives and friends and sold a good percentage of the pre-incorporation capital subscriptions.

GLENNON SAID THE charter which was drawn up in the offices shared by he and Anzelmo called for 500,000 shares at \$1.50 a share.

Glennon said he made several trips to Arkansas with Anzelmo, including one that coincided with the running of the Arkansas Derby at Hot Springs in 1966 to confer with Arkansas legislators and Arkansas Loan and Thrift people.

Glennon said there was no discussion of Savings and Guaranty Corp. until Bartlett brought the company up at a June 10, 1966 LL&T board meeting. At that time, he said, Bartlett claimed the surety corporation maintained unencumbered assets in the amount of \$1,028,000 for the sole purpose of insuring the deposits of LL&T and AL&T. He said Bartlett claimed the company would act in much the same manner as the Federal Savings and Loan Insurance Corp. does for homestead and savings associations

A. Yes. Mr. Bennett said he knew Mr. Gremillion well and that Mr. Gremillion had looked into the matter and felt LL&T could operate within the laws of Louisiana without any trouble.

Q. Were you and Mr. Anzelmo paid an attorney's fee for this?

A. Not in the pre-incorporation stage.

Q. When were you paid a fee?

A. Sometime in June, 1966. (Glennon then identified a \$45,000 check made out to him and Anzelmo dated June 11, 1966).

Q. Was this fee shared by you and Mr. Anzelmo?

A. No, Mr. Jim Garrison (Orleans Parish district attorney) had referred this to us so he received a percentage.

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A. No, not at all. He received one third of the attorney's fee—\$15,000.

Q. Was a portion of this fee used by you to buy LL&T stock?

A. It certainly was. Originally we were only offered a \$5,000 legal fee and told by Mr. Bartlett we had to buy \$10,000 worth of stock.

Glennon then testified he made out a \$20,000 check to LL&T in behalf of himself and Garrison to buy stock in the finance company. Glennon testified, "Half was for Mr. Garrison."

Glennon also said he signed a note for \$25,000 to cover an additional stock purchase.

Q. Were those shares of stock issued to you?

A. The stock certificates were issued to me and then pledged back to the corporation.

Glennon identified a check in the amount of \$12,000 paid in 1966 for legal services for Anzelmo and himself.

He also said that the board of directors of LL&T in June, 1966, elected by acclamation James A. Noe president of the corporation, but that Noe was never able to take the post because he was too ill to accept the appointment.

GLENNON ALSO identified a number of documents relating to the registration of LL&T with the state, including a letter he and Anzelmo prepared notifying commissioner of securities A. Clayton James they would not present LL&T as a bank or a homestead nor would they use the word "savings" in their advertisements.

Glennon also repeated testimony of Tuesday in which he said that he and Anzelmo had altered the stock registration certificate figures in the office of Gremillion in Baton Rouge so that the company could apply for registration with the state.

HE SAID 142,000 shares of stock were listed in his name when he did not actually own them. Glennon said stock was listed in the names of a number of other people who did not own it at the time, including Charles Ward, a former Garrison assistant and now an assistant New Orleans city attorney.

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never we were acting in good faith but that he had doubts about our surety corporation.

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Q. Who arranged the meeting?

A. I didn't and I assumed Mr. Anzelmo did.

Q. Did any of the Louisiana surety companies agree to write a guarantee for LL&T?

A. No. They said they did not have the know-how to write the kind of surety we needed.

Q. Did you have any further conversations about this with Mr. Anzelmo?

A. No, we were at a brick wall.

Glennon then identified a letter written by LL&T to the SEC which pledged that LL&T would soon be registered as a bank in Louisiana by the state banking commission and added that Guaranty Savings and Loan in Arkansas would be properly registered in that state. In the letter LL&T also pledged to place a \$50,000 deposit in Guaranty Savings and Loan. The letter made it clear that LL&T sought to solve its problems with the SEC by achieving status as a bank in Louisiana.

Glennon testified that he and Anzelmo went to Atlanta Sept. 9, 1966, to confer with officials of the SEC to clarify what the company had done or could do about its problems.

GLENNON SAID William Green, SEC district director, told them he had received a letter from (A. Clayton) James about LL&T along with an opinion written by Gremillion.

The letter, which was introduced into evidence, said the company was complying with state laws at that point, adding that "much of the difficulty was caused by not understanding the law."

Gremillion's opinion stated the LL&T passbook was not considered a security under state law, and that no commissions had been paid on pre-incorporation stock.

Therefore, LL&T "is subject to the jurisdiction and regulation of the State Banking Commission, all provided for by the laws of the State of Louisiana."

FRENCH USE MORE OIL

PARIS — French demand for oil products reached 82.5 million tons last year, compared with 70.5 million in 1969, a 17 per cent rise.