

Defense Case Is Rested in LL&T Trial

By KERMIT TARLETON

The defense rested today in the federal court trial of Atty. Gen. Jack P. F. Gremillion and two other men on charges of fraud and conspiracy growing out of operations of bankrupt Louisiana Loan and Thrift Corp. (LL&T).

U.S. District Court Judge Alvin B. Rubin said final arguments will begin at 9 a.m. Thursday and there will be no more recesses in the six-week-old trial until the jury reaches a verdict.

Only one defense witness was placed on the stand before attorneys for Gremillion, state Rep. Salvador Anzelmo and former LL&T board chairman Ernest A. Bartlett Jr. rested their cases.

THE THREE ARE on trial on charges growing out of the operations of bankrupt Louisiana Loan and Thrift Corp. (LL&T).

Earlier today, Judge Rubin denied without comment motions by the three defendants for directed verdicts of not guilty in the case. The prosecution wound up presentation of its case Friday.

The only defense witness heard before Gremillion's attorney, F. Irvin Dymond, rested his case was Carlos G. Spaht, a former legal aide to Gov. John J. McKeithen.

Spaht said he believes the state banking commissioner was correct in refusing to certify LL&T as a bank but agreed to the banking department's taking supervision of LL&T because of an attorney general's ruling that it was similar to a bank.

Spaht said he recommended that the late A. Clayton James, then banking commissioner, sign a letter to the Securities and Exchange Commission in 1966, taking jurisdiction of LL&T but

said he warned James if he did this he would have to take over actual supervision of the firm.

SPAHT, WHO IS also attorney for the Louisiana Bankers Association, said it was his position that James was

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correct in refusing to sign a certificate of authority for LL&T to operate as a bank.

He said his reasons for feeling this way were that it was not a bank and did not qualify as one.

Spaht said he met with Anzelmo, New Orleans attorney William A. Glennon Jr., Baton Rouge attorney Joseph Kavanaugh, state Sen. Jamar Adcock and James in his Baton Rouge office and worked up a draft of a letter he said he felt James could sign.

Kavanaugh and LL&T president Charles H. Ritchey also were indicted in the case. Ritchey has pleaded no contest and is awaiting sentencing and Kavanaugh has been granted a separate trial. Glennon and James were named as co-conspirators but not indicted.

Spaht said Anzelmo and Glennon brought a draft of a letter they wanted James to sign but Spaht said he and Kavanaugh worked up the draft that James actually signed outside the presence of Anzelmo and Glennon.

SPAHT SAID HE felt strongly that

LL&T was not a bank but Anzelmo felt just as strongly that it was since he claimed it performed the same functions such as taking deposits and making loans.

Spaht said he was shown a copy of Gremillion's opinion during that meeting which said the firm was similar to a bank.

Even though he disagreed with Gremillion, Spaht said the attorney general was the state's legal officer and had the right and duty to issue such an opinion.

The letter which James eventually signed and sent to the SEC said since LL&T was similar to a bank his department was taking authority. It added this was the first time the state banking laws were used in such a way.

The government contends that this letter and the opinion by Gremillion removed LL&T from the supervision of the SEC.

Spaht said LL&T first was brought to his attention when a number of New Orleans banks and savings and home-stead associations objected to the advertising of LL&T as untrue and unfair.