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JURY IN LOUISIANA FREES STATE AIDE

Attorney General and Two
Others Win Fraud Case

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NEW ORLEANS, May 19— Louisiana's Attorney General, Jack P. F. Gremillion, and two other defendants were found not guilty today on 15 counts charging conspiracy, mail fraud and fraud in the sale of securities and the sale of unregistered securities of the Louisiana Loan and Thrift Corporation.

A jury returned a unanimous verdict after deliberating since Friday night. United States District Judge Alving B. Rubin tried the six-week-long case.

Found not guilty with Mr. Gremillion, who is seeking reelection, were State Representative Salvadore Anzelmo of New Orleans, a former director and attorney for the loan company, and Ernest A. Bartlett Jr. of Fort Smith, Ark., chief organizer of the concern.

The loan company ceased operations in April, 1968, when it went to receivership in Federal Bankruptcy Court. At that time the company's records showed that 1,450 depositors had invested more than \$2-million. Investors had been promised 6¼ per cent interest on their savings, but since the concern declared bankruptcy they had received only about 60 cents on a dollar invested.

Testimony during the trial centered on the role Mr. Gremillion played as Attorney General and as legal counsel for the concern. Opinions by the Attorney General were cited as reasons for removing the company from Federal controls.

Also named in the Federal indictment were a Baton Rouge lawyer, Joseph Kavanaugh, who has been granted a separate trial, and Charles Richey of New Orleans, former president of the concern, who pleaded no contest and is awaiting sentencing. Mr. Kavanaugh had performed the legal work involving the concern for the State Banking Commission.