

FDIC Has No Plans To Suspend Rebozo During Bank Probe

By Ronald Kessler

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The Federal Deposit Insurance Corp. said yesterday that it would not act on a request for suspension of Charles G. (Bebe) Rebozo as chairman and president of Key Biscayne Bank in Florida until it has completed an investigation of the bank.

Sen. William Proxmire (D-Wis.), a member of the Senate Banking Committee, had requested the FDIC, which insures deposits at Rebozo's bank, to suspend Rebozo while the government insurance agency investigates two reports that appeared in *The Washington Post*.

The first concerned a sworn statement and other records in a Miami court file indicating that Rebozo in 1968 cashed \$91,500 in stolen stock after he was told by an insurance investigator that the stock was stolen.

A lawyer for Rebozo said the insurance investigator, who gave the sworn statement, visited Rebozo but did not tell him the stock was stolen.

The second report said that Rebozo's bank hired as a vice president in charge of the trust department a man who less than a year earlier had been barred by the Securities and Exchange Commission from being a stock broker.

In its order, the SEC alleged in 1972 that the man,

Franklin S. DeBoer, had falsified records, sold unregistered stock in violation of law, and appropriated for himself more than \$300,000 from a public company. The SEC said he later repaid the money.

DeBoer neither admitted nor denied the charges.

In its statement yesterday, the FDIC said its directors had decided not to take any action until its probe is completed.

The agency said its board made the decision "after reviewing the limited circumstances in which it can exercise the FDIC's removal and suspension powers and in order to assure full FDIC compliance with elemental standards of due process in whatever action it may ultimately decide to take as a result of the staff investigations now in progress."

The FDIC directors also said the bank has been regularly examined by the FDIC and Florida authorities since it was chartered in 1964. The bank, the FDIC added, "is well capitalized, profitable, and holds a high percentage of its total assets in readily marketable securities. It has a small trust department. The bank is highly liquid and is in sound financial condition today," the FDIC said.