

NYT

Little Concern Evident in L.I. on Bank Take-Over

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MINEOLA, L. I., Oct. 8—Although the announcement that the Franklin National Bank had been declared insolvent and taken over by the European-American Bank & Trust Co. came as a surprise to both Nassau County officials and Long Island-based companies, little real concern was apparent today.

A spokesman for the Long Island Association of Commerce and Industry, which represents about 1,000 businesses in Nas-

sau and Suffolk Counties, many of whom do business with Franklin, said:

"The decision by Federal agencies apparently was predicated on facts available to them based on the desire to act in the best interests for the depositors and for the financial community."

"The L.I.A. . . . anticipates it [European-American] will be a healthy adjunct to the banking community."

The Grumman Corporation, based in Bethpage, L. I., which had just re-established a com-

mmercial line of credit of \$125-million with nine commercial banks, including Franklin said:

"We are confident that European-American . . . will assume the responsibilities and assets of Franklin National and honor prior commitments. We feel that the change will have no effect on Grumman's recently-completed financial arrangements."

John Scaduto, Treasurer of Nassau County, said that Franklin was the county's main payroll bank. It holds deposits of about \$12-million in county

funds, he said, all insured by a \$50-million bond.

"I have just been talking with Raymond Anderson, a senior vice president of Franklin and he assures me that to the depositors it will mean nothing more than added strength to the bank," Mr. Scaduto said. "They assured me that business will be as usual and branches will remain open."

When asked whether the county intended to keep money in the new institution, Mr. Scaduto replied: "We will remain as long as it is expedient to remain."