

Ex-Franklin Bank Aide Pleads Guilty

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By ARNOLD LUBASCH

Peter R. Shaddick, who was one of the executives of the Franklin National Bank, pleaded guilty yesterday to having participated in a foreign currency speculation scheme that cost the bank more than \$30 million.

Mr. Shaddick pleaded guilty to four Federal charges consisting of conspiracy, misapplying bank funds, making false entries in the bank's books and submitting a false statement to another bank to conceal the large losses suffered by Franklin National in the unauthorized foreign currency speculation.

He could face up to five years in prison on each of the first three charges and up to two years on the fourth charge, plus a maximum of \$25,000 in fines.

In the largest bank failure in the nation's history, Franklin National was declared insolvent last year and its assets were purchased by the European-

American Bank and Trust Company.

Mr. Shaddick, who was executive vice chairman of Franklin National and a director of its parent company, the Franklin New York Corporation, was indicted last August with seven others on charges involving massive foreign currency speculation with the bank's funds in 1973 and 1974.

In pleading guilty, he admitted having conspired to conceal the bank's foreign currency losses but maintained that he had not known that the losses amounted to more than \$30 million.

Mr. Shaddick, who announced on Dec. 3 that he was withdrawing his original not-guilty plea, completed the process of pleading guilty in the complex case after three sessions before Judge Thomas P. Griessa in Federal Districts Court here.

Judge Griessa is expected to sentence him after the scheduled trial next month of two other Franklin National defendants, Andrew Garofalo, who was a vice president of the bank, and

Michael Romersa, who was a foreign exchange trader.

Another defendant, Carlo Bordoni of Milan, Italy, a former director of the Franklin New York Corporation, is a fugitive in the case. His associate, Michele Sindona, an Italian financier, who reportedly had a major interest in Franklin National, was not indicted here but has been living in New York as a fugitive from criminal charges in Italy.

Mr. Shaddick, a 50-year-old British citizen with a home in Nassau, the Bahamas, was considered the most important defendant to plead guilty in the Franklin National case.

Four others, all former foreign exchange traders, pleaded guilty to one charge each on Oct. 15. They are Donald Emrich, Arthur Slutzky, Martin Keroes and Paul Sabatello. Their sentencing is expected after the scheduled Garofalo-Romersa trial next month.

John J. Kenney is the Federal prosecutor in charge of the case.