



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-117-88 (6-6-88)

### FDIC RETIRES REMAINING PREFERRED STOCK OF FRANKLIN NATIONAL BANK, NEW YORK CITY

The Federal Deposit Insurance Corporation (FDIC), as receiver of Franklin National Bank, has announced that it is retiring the remaining shares of the bank's preferred stock, substantially completing the largest failed bank liquidation in the agency's 55-year history. The FDIC has already recovered its total outlay relating to the Franklin failure of \$2.19 billion.

Although some actions must still be resolved before the liquidation is finished, the retirement of the preferred stock will provide for full payment of creditors of the failed bank. The liquidation of Franklin National Bank will be officially terminated in the near future. Franklin National Bank was closed by the Comptroller of the Currency on October 8, 1974.

In this FDIC action, holders of the remaining shares of 4.60% cumulative preferred stock will receive par value of \$100 per share plus a dividend of \$2.70 per share accrued between November 1, 1987, and May 31, 1988. The FDIC previously announced the retirement of 50 percent of Franklin's 177,119 outstanding preferred shares and payment to holders of the retired shares of \$162.87 per share, comprising par value plus dividends accrued from May 1, 1974, through December 31, 1987. At the same time, a dividend of \$62.10 per share was paid to shareholders on the unretired shares.

Holders of the bank's 4.60% cumulative preferred stock who have not yet tendered their certificates for retirement are urged to do so promptly. In the event shareholders are unable to locate their share certificates, they should contact Mellon Financial Services, One Executive Drive, Fort Lee, New Jersey 07024 so appropriate arrangements can be made.

###