

What happened when top bank went broke?

Eatontown drug store gained charge accounts, and physician got jittery patients

What happens to the health professions in a small town when the leading bank goes broke?

Both of the drug stores in Eatontown, N. J. (pop. 10,334), told AMERICAN DRUGGIST that many of their cash prescription customers suddenly found themselves short of cash and showed an interest in opening charge accounts at the stores.

"It instantly increased my patient load," Dr. George Henkel, a local medical practitioner said. He reported that jittery bank customers lost no time in coming to him for medical advice and treatment—at the same time asking him to accept an I.O.U. for his fee instead of cash.

A lesson: "It taught me not to keep more than \$20,000 on deposit in any bank at any one time," a distraught retailer, who asked not to be identified, told A.D. He had almost \$29,000 on deposit at the bank.

The surge in charge account business was sparked when Federal authorities discovered a "misapplication" of \$5 million of the funds on deposit with the Eatontown National Bank, declared the bank insolvent, and closed it down on August 8th. Practically simultaneously, depositors who had checking accounts with the bank found that local retailers would not honor their checks.

Fully covered: Al Horowitz, manager of the Ritz Drug Store, had a personal savings account at the bank but suffered no loss because his account—less than \$20,000—was fully covered by the Federal Deposit Insurance Corp.

However, many of the store's customers had both a checking as well as a savings account with the bank. While both accounts were

protected (the FDIC covers all types of accounts in a bank, not just savings accounts), their buying power was severely curtailed by the refusal of merchants to accept their checks in payment for their purchases.

Moreover, in many cases retailers were faced with the necessity of asking these same customers to make restitution for checks written for previous purchases. These checks had been deposited by the retailers but had not cleared the bank before it was closed down. As a result, although cash deposits and deposits of other checks were accepted and cleared in the usual way, checks drawn on the Eatontown bank were returned to depositors as uncollectable items.

By and large, Mr. Horowitz said, the store had no trouble in getting customers to make good for the checks previously written. For the most part, he added, the greatest "suffering" experienced by their customers seemed to be inconvenience.

Excitement: For a week after the closing of the bank, Mr. Horowitz said, the bank's plight was the major topic of conversation and the excitement generated by the "misapplication" also served to slow down business activity. By week's end, he said, business was returning to normal.

V. M. Musto, owner of Eatontown's only other drug store, Town Pharmacy, told A.D. that at least 20 of his customers were caught short by the bank's closing.

"I hate to say this," he said, "but the bank's shutdown, in a sense, was a blessing in disguise. It demonstrated quite dramatically for some of my customers that credit is avail-



PRE-FIL is what Emko Company calls "a new concept for foam contraception." The line features an applicator that can be prepared for use up to one week in advance, the company says, "eliminating the delay of preparation during the marital relations. A woman may prepare the applicator at her leisure ahead of time . . ."

According to Emko, "previously, foam contraceptive applicators had to be filled just prior to coitus." The company says the Pre-Fil line can "aid appreciably in reducing patient non-use and build greater acceptance of the foam method of contraception . . ." Also, says Emko, "the new technique helps to achieve more aesthetic man-woman relations."

able and charge accounts warmly welcomed at the Town Pharmacy. A number of customers, who were somewhat timid at first about asking for credit, have indicated that they will open charge accounts at the store. We are happy to have them

"In all," he continued, "it was an exciting week. While some people may have been inconvenienced, no one seems to have been badly hurt. For many people, the excitement of a bank closing seemed to be a fun thing, not in the least reminiscent of the desperation that fell like a pall over people when banks failed in the depression of the 1930s."

Doctor's dilemma: Aside from the increased patient load, Dr. Henkel told A.D. that the bank closing created extra work for him. Quite a few checks drawn on the bank bounced and he now has to ask his patients to make them good.

Other patients, he said, who had accounts in the bank suddenly were asking him for credit and this has added to his bookkeeping chores. Still other patients who used to pay by check have had to pay the doctor's fee in cash—or ask for credit.

Dr. Henkel, like many of the other townspeople, had an account with the bank, but his account was fully covered by FDIC and he suffered no loss.

Fred Lascoff dies at 69

Frederick D. Lascoff, a member of one of the country's most famous pharmaceutical families, is dead at 69.

The New York City pharmacy founded more than 70 years ago by Dr. Lascoff's father, J. Leon Lascoff, came to be one of the best known in the U.S. Specializing in prescription work, it built a reputation as a source for any medication or related product, no matter how rare or unusual.

One of the founding members of the American College of Apothecaries, Dr. Lascoff served a term as president of that association. He was a trustee of Columbia University College of Pharmaceutical Sciences, his alma mater.

Charles L. Boswell dies

Charles L. Boswell, president of Dorsey Laboratories, is dead at 53.

A pharmacist, with M.S. and Ph.D. degrees in pharmaceutical chemistry, Dr. Boswell joined Dorsey 16 years ago.

(advertisement)

TELE-NEWS

Acne — a major teenager concern. A study conducted by an independent research company indicates that 77% of all teenagers use an acne medication for treatment.

CLEARASIL® Vanishing Formula, already the #3 teenage acne remedy (CLEARASIL Skin Tone is #1) is introducing a new 1.2 oz. large size to retail at \$1.39. Starting Sept. 10th there is a special 2 with 10 introductory allowance on this size, plus promotional allowances on all other CLEARASIL products.

Consumer sales of Vicks® NYQUIL®, Night-time Colds Medicine, are off to the fastest start in proprietary cold product history. After a record breaking first year, consumers bought 47% more NYQUIL last year. But most important to the retailer, NYQUIL has expanded colds product market -- accounting for over 70% of its growth in the last two years.

Portable Cough Discs continue to be one of the fastest growing categories among proprietary medicines with sales doubling over the last two years. FORMULA 44® Extra Strength Cough Discs were again the #1 selling brand in Drug Stores in 1969/70, accounting for over 50% of total cough disc sales. 1970/71 sales projections for FORMULA 44 are even bigger.

Over 70,000 dentists have requested FASTEETH® Denture Adhesive Powder Samples for use by their denture patients. The professional recommendation is an important reason why denture wearers buy more FASTEETH than any other denture adhesive -- cream or powder. Because it's #1, FASTEETH pays extra dividends when all sizes are given their share of facings on your denture product's shelf.

Still a great item after 65 years! Vicks VAPORUB® still attracts new users -- in an age where even the hottest new products are often "has-beens" after a few years. Last year VAPORUB outsold every external analgesic, every proprietary cough syrup (except FORMULA 44), every nasal spray, every acne preparation and all but one throat lozenge.