

May 23, 1961

CHAIRMAN'S OFFICE
MAILED

MAY 23 1961

Inter-Change Bank
Casella Postale 37068
Chiasso, Switzerland

Signed by: _____

Re: JJT/el

Gentlemen:

This is in reply to your letter dated April 20, 1961, addressed to the New York Office of the Securities and Exchange Commission, and your letter dated May 9, 1961, addressed to Commissioner Gadsby. Your first letter requests information regarding the River Forest Land and Guaranty Corporation operating in Florida. Your last letter requests information regarding a transaction in which your bank purchased 7,000 shares of Transportation Equipment Development Corporation (TEDCO) stock on February 15, 1961, the stock being in the name of two nominees with the only address given being % Lloyd, Miller and Company, 1411 Pennsylvania Avenue, N.W., Washington, D. C.

In reply to the first letter received, the records of the Securities and Exchange Commission have been checked and the River Forest Land and Guaranty Corporation of Florida has never made any filing with the Securities and Exchange Commission, therefore, we would not have any information on the Corporation.

In reply to your last letter, it is assumed that you have been informed by Marshall I. Stewart, Esq., of a communication between he and the Securities and Exchange Commission regarding our inspection of the broker-dealer, Lloyd, Miller and Company.

Our inspection disclosed that the last 7,000 shares of TEDCO stock was purchased by your bank under a Regulation A offering and placed in the names of nominees as follows:

Jean Durand	3,000 shares
% Lloyd, Miller and Company	Certificate No.'s 649 to 678
1411 Pennsylvania Avenue, N.W.	
Washington, D. C.	

Paul Dubois 4,000 shares
% Lloyd, Miller and Company Certificate No.'s 679 to 718
1411 Pennsylvania Avenue, N.W.
Washington, D. C.

This fact was disturbing because we did not know whether the above named nominees were your duly authorized nominees and whether we would ever be able to trace the shares from your nominees to members of the public in the United States. Because of the laws of some foreign countries such as, Switzerland, Lichtenstein, and Canada, the Commission has been handicapped in tracing transactions to determine the facts upon which the proof of availability or non-availability of claimed exemption depends, when the laws preclude disclosure of the pertinent information.

You can be of assistance to the Commission by giving us answers to the following questions, namely;:

1. Who contacted the Bank, or your agent in the U.S. regarding the purchase of the TEDCO stock?
2. Who authorized or approved the purchase of the stock by the Bank?
3. Who designated the nominees in whose name the stock was issued?
4. Who are the nominees, Jean Durand and Paul Dubois, and what is their correct address?
5. Did the Bank or your agent receive an offering circular when the purchase was made?
6. How was the purchase of the stock consummated?
7. Does the Bank still own the stock?
8. If not, what disposition has been made of same? If sold, to whom was it sold?

I note that you state that after many requests of Mr. Stewart, you are still without any statements, balance or prospectus concerning the stock of TEDCO, therefore, I assume that you never received an Offering Circular (Prospectus).

The Commission realizes that there has been no evidence of complicity on the part of foreign banks which may be involved in most cases. In this case your Bank purchased the last 7,000 shares of the Regulation A offering, which under our Rules must be distributed to the public, before trading can be started in the stock. There is a possibility

that your purchase may have been used to lay the stock on the shelf and sell at a higher price as the market moved up, in fact, the transaction may have been instigated by a control person of TEDCO, for his own aggrandizement, in violation of the Securities Laws. Any information you can give to clear up the transaction will be appreciated.

The Securities and Exchange Commission has no charges against your Bank and therefore, we are not in position to discharge you as requested. Answers to the above questions would be most helpful to our enforcement program and your assistance will be deeply appreciated.

Very truly yours,

W. J. Crow
Regional Administrator