

CHAPTER VII

LISTED AND UNLISTED SECURITIES

THE dealers of investment securities in London are divided into two classes, namely, the bankers or brokers who handle listed securities on commission, and dealers or merchants who handle the unlisted bonds. If occasion should arise to look up these investment houses in the telephone or business directory, it would be found that the banks dealing in the unlisted securities would appear as merchants in the same class as the wool merchants, dry goods merchants, tea merchants, etc. The banks dealing in the listed securities would be classified as banks or dealers in investment securities.

This illustrates extremely well the difference between the dealers in *listed* and the dealers in *unlisted* securities, although in this country there is very little distinction, as most reputable dealers handle both listed and unlisted. In London, however, the distinction is more closely drawn. For instance, the bond merchant is allowed to advertise his wares, the same as the dry goods merchant and the tea merchant; but the broker is forbidden to advertise in any such way. Not only do the rules of the London Stock Exchange absolutely forbid any newspaper advertising of any kind, but the London brokers do not send circulars to any but their regular clients.