

Why You Should Buy CDs At A Brokerage Firm

By John Schuck
Financial Consultant
Shearson Lehman Brothers
3340 West Sahara Ave.
Las Vegas, Nevada 89102
873-8797

Whether you're a conservative or aggressive investor, you probably keep some of your money in "secure" investments that provide an assured return with maximum safety. Probably the most popular of these are federally insured bank certificates of deposit (CDs).

You may think you know everything there is to know about these tried-and-true investments, but it's a fair bet you don't know that for the past

few years insured CDs have been available through brokerage firms — with no fees or commissions. These CDs, which are issued by creditworthy banks and S&Ls around the country, often carry a slightly higher interest rate than those sold by your local bank. And brokerage firms offer extra features that the local bank doesn't.

The most important extra is better liquidity. Normally, CDs are not considered a liquid investment, because you cannot withdraw your money prior to maturity without incurring a penalty that can eat up your interest and, in some

cases, invade principal.

What some of the major brokerage firms have done is to create a "best efforts" secondary market among their own customers to trade existing CDs (with maturities of one year or longer), much like bonds. If you need cash and must sell a CD prematurely, some brokerage firms give you two choices: cash in the CD and pay the penalty or sell it in the firm's secondary market.

Your decision will be based on the CD's current value. If interest rates have risen since you purchased the CD, it will be worth less. In that case, whichever costs you the least money — the penalty or a sale — would be your best choice.

However, if rates have fallen, your CD will be worth more to another investor. By selling your CD in the secondary market you'll not only avoid the early-withdrawal penalty, you'll also realize a capital gain.

This enhanced liquidity is a real innovation that can be reason enough to purchase your CD from a major brokerage firm. But there are other advantages. For example, you can have more than the federally insured maximum of \$100,000 in CDs in a single brokerage account and still enjoy full insurance coverage. The brokerage firm simply distributes your investment among several CD issuers. Each CD is clearly listed on your single monthly statement.

In contrast, if you buy CDs from a bank, you must open *separate* \$100,000 accounts for, with or in trust for other family members to expand your insurance coverage. These arrangements can get quite complex, as can the bookkeeping. Alternatively, you can buy CDs in your own name at several banks, but that may be time-consuming and inconvenient.

When you buy your CD at a brokerage firm, you get professional monitoring of your CD holdings, which eliminates mistaken rollovers. Your Financial Consultant notifies you, usually by phone, when your CD nears maturity.

If you can't be reached or you're undecided about what to do with the funds, they will be placed in your brokerage account or a money market fund until you do decide. Banks, on the other hand, typically roll your CD over automatically into a new one of like maturity if you fail to respond to a written notice by a specified date. If you had intended to cash it in, you'll now have to pay an early withdrawal penalty.

Finally, it's simply more convenient to buy your CDs from a brokerage firm. Instead of waiting in line and perhaps dealing with a bank employee you don't know, you just call your Financial Consultant, the same professional who handles your other investments.

U.S. Senator Pelted In West Bank

JERUSALEM, (JTA) Chafee (R-R.I.) was pelted with stones while visiting the Kalandiya refugee camp, north of Jerusalem. He was accompanied by the U.S. consul from East Jerusalem and United Nations officials.

Israel Defense Force troops broke up the disturbance with tear gas.

Unrest continued elsewhere, though on a smaller scale than in recent days. Police use tear gas to disperse Arabs who erected roadblocks on Saladin Street, East Jerusalem's main thoroughfare, from where they threw rocks at Israeli vehicles.

Five Arab youths were arrested in Beit Hanina, north of Jerusalem, after they pelted an Egged bus with stones. A 17-year-old girl was injured and hospitalized.

The IDF announced, meanwhile, that 15 more residents of the administered territories have been placed in administrative detention. They can be held for up to six months without formal charges.

The Hebrew Academy

Registration for the 1987-1988 School Year

LIMITED ENROLLMENT

Ensure a place for your children to be educated at Nevada's Only Hebrew Day School.

Accredited
K-9th

The Hebrew Academy provides

- Individualized instruction to meet the needs and abilities of every child—
- Small pupil/teacher ratio—
- Experienced and certified teachers—


THE CURRICULUM INCLUDES:

• Reading	• Hebrew
• Language Arts	• Latin
• Math	• Spanish
• Science	• Judaic Studies
• Social Studies	• Creative Art
• Computer Science	• Physical Education

For Information, call **Dr. T. Lubin—384-4500**

NOTICE OF NONDISCRIMINATORY POLICY AS TO STUDENTS AND PERSONNEL

The Hebrew Academy admits students of any race, color, national and ethnic origin to all the rights, privileges, programs and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school administered programs nor of its hiring practices.



How To Find A Chiropractor in Las Vegas.

We understand how hard it is to find the right doctor in a strange city. Especially when you don't have family or friends to turn to for a recommendation. We faced that situation when we moved to this city. So you won't be left to pick from the "prettiest" Yellow Page ad, we are happy to offer **FREE** recorded chiropractic information. Just dial **454-7659** and request any of the following subjects:

C1 Headaches	C5 Arthritis	C8 Numbness
C2 How serious is a backache?	C6 Whiplash (Automobile Accidents)	C9 Hip and leg pain
C3 Neck pain	C7 Simple stiff neck or a pinched nerve?	C10 Low back pain — pinched nerve or slipped disc?
C4 Does treatment hurt?		

In addition, our office provides:

- Same day appointments
- Proven effective, yet gentle treatment
- Highest quality care at reasonable fees
- Free spinal screening exam
- Assignment accepted and insurance billed at no charge
- Se habla espanol

Dr. J.W. Strickland, B.A., B.S., D.C.
12 years combined experience in Chiropractic teaching and practice

Call now for immediate help
454-3775
3771 E. Desert Inn (at Sandhill)

INVESTMENT OPPORTUNITY
\$100,000 operating capital needed. New venture in Booming industry. Principal has 30 years experience. Call **HALLMARK 739-8588**

Please support the



Las Vegas Israelite

For Rates CALL 876-1255