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## **PECHTER BIDS FOR VALUE LINE UNIT**

A financial-services industry veteran is making a play for [Value Line](#) Inc.'s troubled mutual-fund lineup.

Richard Pechter, a director of the Financial Industry Regulatory Authority and the New York Stock Exchange's regulatory arm, said this week that he made an offer for the fund business, which had \$2.3 billion in assets as of April.

New York-based Value Line, publisher of the Value Line Investment Survey and other newsletters, is seeking to restructure its operations amid regulatory trouble and a long stretch of poor performance.

Under the terms of a 2009 Securities and Exchange Commission settlement, former Value Line Chairman and Chief Executive Jean Buttner must end her association with the firm's money management and broker-dealer businesses.

Value Line, Ms. Buttner, and another former executive didn't admit wrongdoing in the settlement, which involved allegedly inflated brokerage commissions charged to Value Line's mutual funds. Ms. Buttner still controls a holding company that owns most of Value Line's shares.

The offer by Mr. Pechter, a former chairman of Donaldson, Lufkin & Jenrette's financial-services group and a Value Line shareholder, is a response to a deal approved in July by Value Line's board.

That plan would convert the money-management business to a trust, giving half the residual profits to Value Line and dividing the rest among five trustees overseeing the business, according to regulatory filings.

"How is half a loaf better than a whole loaf?" Mr. Pechter asks. "They're not explaining why this is a good deal."

In a letter dated Sept. 1 to Value Line's acting chairman and chief executive, Howard Brecher, Mr. Pechter offered to match the terms of the proposed deal, substituting himself and his affiliates for the five trustees and paying an additional \$250,000 cash.

Mr. Brecher declined to comment. An attorney for Ms. Buttner said that Value Line hadn't received Mr. Pechter's offer.

In a regulatory filing on Tuesday, the company said its board "reviewed a range of options," including a sale or spin-off of the asset-management business, and the proposed restructuring was approved "as being in the best interest of the company and its shareholders."

But some shareholders say they're still struggling to see the benefit of the transaction. Steven Grey, managing principal of investment firm Grey Value Management LLC, said he's made multiple requests to Value Line for more information on the deal's financial impact on shareholders.

"They really don't explain it," he said.

<http://online.wsj.com/article/SB10001424052748704855104575469744041606632.html?KEYWORDS=value+line>

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