

From The Office Of:  
Attorney General Louis J. Lefkowitz  
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New York City  
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# NEWS RELEASE

May 28, 1957

RELEASE IMMEDIATELY

A hair and scalp clinic operator who offered shares of stock in his company with every hair and scalp treatment given to his male customers was enjoined today from the securities business in New York State in a consent order obtained by Attorney General Louis J. Lefkowitz,

The order, signed by Supreme Court Justice Irving L. Levey, prohibits Lynn Robert Akers and Akers' Hair and Scalp Clinics of New York and Illinois, Inc., from engaging in the securities business in this state. Lynn Robert Akers signed the consent to the injunction before the American vice-counsel in Italy on May 21, 1957. Akers has a New York office at 350 Fifth Avenue.

An affidavit filed with the order states that Akers organized branches of his business throughout the United States and abroad to provide treatments for hair and scalp disorders.

The Attorney General said that when Akers first organized his branch in New York City all the stock was issued in his name. Soon, thereafter, Akers began to sell the stock to the public through various branch managers of his scalp treatment salons. The purchasers were approached by the branch managers while undergoing scalp treatment and were urged to purchase stock of the corporation at \$5 a share.

Purchasers of securities were lead to believe, according to the Attorney General, they would acquire an interest in the Akers corporation which has offices in Rome, London and Brussels. However, the stock certificates gave them an interest only in the New York branch of the company. Akers' representatives also told prospective customers that the stock was in short supply but offered 30 per cent dividends on the investment. The Attorney General said there was no market for the stock except through sales in the scalp salons.

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The affidavit says Akers paid one dividend of about 20 per cent but later advised stockholders that this payment was not a dividend but a "reduction of capital."

Attorney General Lefkowitz said Akers sold about \$40,000 worth of the stock before he was enjoined.

The investigation of the case was conducted by Assistant Attorney General Orestes J. Mihaly.

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From: Charles W. Stickle, Executive Assistant to the Attorney General  
Cortlandt 7-9800, Extensions 7192 and 7175.