

From The Office Of:

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NEWS RELEASE

RELEASE P.M. NEWSPAPERS
WEDNESDAY, DECEMBER 3, 1958

Attorney General Louis J. Lefkowitz today obtained an order in Supreme Court, New York County, barring from the securities business in New York State a brokerage firm which sold more than a quarter of a million dollars of worthless stock through fraudulent literature and boiler room tactics.

The order, which was signed by Supreme Court Justice George Tilzer, enjoins Lincoln Securities Corporation, 42 Broadway, New York City, and its president, Lester Ober, of 163-30 102nd Street, Rego Park, New York.

According to the affidavit of Assistant Attorney General Orestes J. Mihaly, in April, 1958, Lincoln Securities Corporation began to sell the stock of Shoreland Mines Limited, a Canadian Corporation with its principal offices at 69 Yonge Street, Toronto, Canada. More than a quarter of a million dollars worth of this stock was sold over the counter by Lincoln Securities Corporation salesmen.

The affidavit states that an investigation by Attorney General Lefkowitz' office revealed that "in the course of the sale of Shoreland Mines Limited stock to the public, literature distributed by Lincoln Securities Corporation and the statements made to the public over the telephone by its salesmen have contained gross and flagrant misrepresentations, promises and recommendations."

During the investigation, it was learned by Attorney General Lefkowitz' office that salesmen of Lincoln Securities Corporation represented to investors that Shoreland Mines Limited held mining claims adjacent to claims being developed by a subsidiary of the United States Steel Company in the Mount Wright area, Province of Quebec, Canada. The investigation disclosed there was no development underway on any claims in the area where Shoreland Mines was alleged to have holdings.

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The affidavit filed with the order obtained today charges that "Ober failed to investigate adequately and reasonably the true facts concerning Shoreland Mines Limited."

"Ober's failure to act in a prudent and reasonable manner resulted in a situation where the public now owns hundreds of thousands of shares of a Canadian security which has no market value," the affidavit charges.

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From: Charles W. Stickle, Executive Assistant to the Attorney General
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