

From The Office Of:
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NEWS RELEASE

RELEASE P.M. NEWSPAPERS
THURSDAY, MAY 19, 1960

"A 'hanger-on' and messenger boy for various New York boiler rooms" was instrumental in causing forged signature guarantees of the Manufacturers Trust Company on more than 100,000 shares of stock in a Nevada mining company, Attorney General Louis J. Lefkowitz charged today.

The Attorney General obtained an order enjoining Fred Fuchshuber Hesse, of 69-12A 215th Street, Bayside, Queens, also known as Fred Fox, from engaging in the securities business in New York State. Hesse consented to the order which was signed in Supreme Court, New York County by Justice Samuel M. Gold.

According to the affidavit of Special Deputy Attorney General David Clurman, 100,000 shares of Anaconda Lead and Silver Company, of Nevada were fraudulently endorsed "Harold Wallace, signature guaranteed, Manufacturers Trust Company, A. Borg, Assistant Secretary."

The affidavit relates that the Manufacturers Trust Company advised the Attorney General's office that the guarantee is a forgery and that there is no person by the name of A. Borg connected with the bank.

"When questioned concerning the stock certificates and the guaranteed signatures, Hesse invoked the privilege against self-incrimination some 41 times," according to the affidavit.

Hesse did testify, however, that "Wallace" resided at the Hotel Paris in New York City. "Investigation disclosed that although a registration was made in Wallace's name, no one by that name had ever resided in the hotel. The forwarding address of the registration was Philadelphia, Pa., but the Philadelphia police have advised that no such address exists," the affidavit states.

The affidavit states that "prompt action by the Manufacturers Trust Company led to the prompt cancellation by the issuer of all the certificates bearing the forgery. The Attorney General's office issued a warning to banks, brokers and financial institutions concerning the questionable signature guarantee at the outset of investigation last August.

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The affidavit describes Hess as "A 'hanger-On" and messenger boy for various New York boiler rooms."

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