The Phonographic Equipment Company Ltd

The Phonographic Equipment Company Ltd was founded in 1958 by Gordon Marks and Cyril Shack. At that time Gordon and Cyril was operating a company called Gordon Refrigeration, the two partners saw the potential in the operation of coin operated jukebox's, so they decided it would be a good idea to buy a couple of Bal-Ami jukeboxes as a side line for their wife's Brenda Shack and Barbara Marks, the operation became so successful, that these two young businessmen decided to start distributing jukeboxes and other coin operated equipment, they quickly closed down Gordon Refrigeration that was located at 316/320 Ladbroke Grove, London W.1 and converted the premises into a showroom under the name of Phonographic Equipment Company Ltd.













Cyril Shack

Gordon Marks

Basil Marks

Max Fine

Michael Green Ralph Mandell

Cyril and Gordon quickly assembled a team of salesmen who would all leave their mark on the British coin machine industry for many years to come. There was Ralph Mandell (A relative of Cyril), who was doing the collections from the jukeboxes, Basil Marks (The original Prince of Charm) Michael Green (Who is still a top salesman in the industry, today) these salesmen sold more machines than any other company in British coin machine history.

They also appointed Max Fine (Cyril Shack's older brother) as Chairman of the Board, along with a bevy of other specialist's including Michael Geber, John Tennant, Brian Marks, (No relation to Gordon Marks) Ted Jenkins, Norman Leftly, Peter Groom, Brian Feeley, Paul Hartley and Norman Mandell and Hilda Shapero to the team, there would later be many salespeople that are now well known and are leading industry figures today.

By 1960 Phonographic Equipment Company Ltd had become the largest distributor of coin operated machines in Europe. They were the main distributors for Williams pinball machines, the French Jupitor jukeboxes and Sega fruit machines





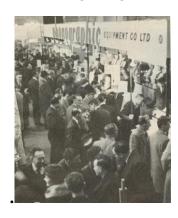
Throughout the early 1960's, Phonographic Equipment Company would become partners with several leading coin machine operators, there was Coulsden Automatics Ltd, under the guidance of Eric Jacobs, Betts Automatics Ltd under veteran operator Fred Betts, Automatic Games & Music Co, Ltd one of my first operating companies, Peterborough Automatics Ltd another company I started with my lifelong friends Henry & Jeff Harris (who still own and run the company, now in its 50th year), and several more who operated joint-venture companies.

Phonographic Equipment Company Ltd was also buying used slot machines from dealers in the U.S.A. they were buying used Bally Bingo's in large quantities from Myron Sugerman of the Runyon Sales Company of New Jersey.

A "Mafia" Controlled Bally Manufacturing Company.

In 1962 Phonographic Equipment Company became the exclusive distributor for the Bally Manufacturing Company, of Chicago, Illinois, U.S.A.

At that time Bally's upright games were making more money for the British operators than any other manufacturers machines, in almost every club in the U. K. it was not uncommon to see a Bally Treble Chance upright machine alongside a Sega Mad Money, Bonanza Star or Diamond Star, in transport cafes you would find several Bally Bingo machines alongside a Bally upright game







A typical location with Bally/Sega Machines

In 1964 Bally brought out their range of bench model AWP machines, these new models were in one word, sensational, the Bally Gold Award would become the number one seller of fruit machines to every arcade in the country, the Bally Jolly Tavernor and Sir Prize models could be found in every top location in the U. K. so much so Phonograph Equipment Company Ltd was air freighting machines in to keep up with demand, the company soon become Bally's largest distributor Worldwide.

They had also moved to a much larger facility in Exmoor St, and Barlby Road London W 10. There was such a demand for the Bally machines, that operators would be lined up in their vans waiting for machines to arrive, many a deal would be done by operators selling their used games to each other, while they were outside of the Phonographic Equipment Company Ltd building waiting for new games to arrive.





By 1966 Phonographic Equipment Company had a Bally machine for every location

Cyril Shack could do no wrong, he had a shrewd eye for a new game, he knew the market like no other, Max Fine was a numbers man, he was more interested in operating the games than selling them, he and his assistant Mrs. King would go over numbers with their joint venture partners, these joint-venture partnerships were very simple, each machine operated by the partnership would have a number, Mrs. King would go over each number and then point out any that were not making money to Max, he would then talk to the partner in question about this machine/number.

I remember I used to give my machine sheets to Mrs. King, she would then show them to Max for him to approve, he would then ask me, in his heavy Jewish accent "Feddy this machine No. 9 you have had it for 6 months, vi have ve had no "Gelt" from it?," I would then explain as I had done nearly every time I was at his office, about the same machine, "Max, No.9 machine, is a change machine, we give it to the location to give change for the No. 10 machine that makes a lot of "Gelt", that was the make-up of this incredible old time financier.

The company had now changed their name and gone public, they were now known as Associated Leisure Ltd. Every major manufacturer in the World wanted them as their distributor, Seeburg Corporation the World's largest jukebox manufacturer, closed down their own distribution center in London and appointed Associated Leisure Ltd as their U. K. Distributor.



By 1968 Associated Leisure Ltd had once again moved to larger premises, they were now at Phonographic House The Vale, London NW 11.

It was also a time when Associated Leisure Ltd was making acquisitions, they had purchased Dreamland an amusement center in Margate, now under advice from their merchant bankers they were looking to further expand and diversify, Cyril Shack wanted to buy the British leading holiday camp company known as "Butlins", this proposed acquisition received much publicity in the national

newspapers, one such newspaper in December 1968 "The Daily Mail" had a lead story stating: "MAFIA to take over BUTLINS".

Page 14. COIN SLOT, Saturday, July 3, 1971.

FIA ARTICLE SHATTERED ME'

appeared.

Associated Leisure and with the Mattia, said counsel, leight of its directors at the time of the article claim libel damages for an Marke, he put up £00,000 for panding from was run by the Mattia.

evidence



" "Mafia" libel case to the High Court — Cyril Shack tells Britain's largest dealers in amusement machines, Associated High Court hearing Special correspondent Lelsure, brought the

Tennant, and Mr. 'Mudslinging'

that if the words did they be the stayed on for another year.

This story is relied upon were true and fair comment on a matter of public importance.

Last week's

Last week's

Last week's

TUESDAY

Mr. Shack intended to reage from The Colony, but stayed on for another year. phobia about Americans'

WEDNESDAY

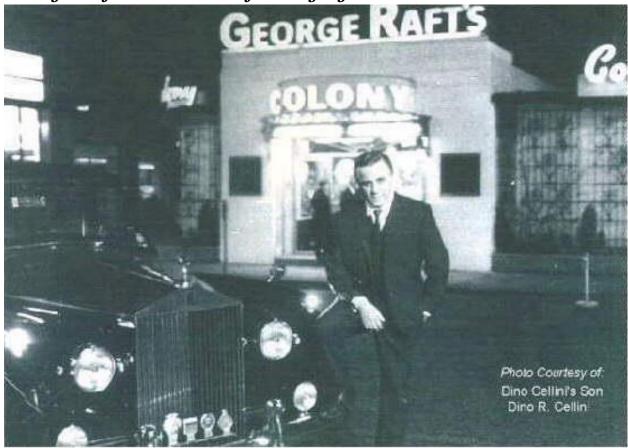
By a

Bomb attack

Cyril Shack immediately sued Associated Newspapers owners of the "Daily Mail" for libel, at one time it is understood that Associated Newspapers owners of the

"Daily Mail" offered to settle out of court for an undisclosed sum, but against his brother Max Fine's advice to take the money, and drop the libel suit, Cyril Shack felt so offended and hurt, that he refused to do so.

The libel case went to court in July 1971, apart from the accusation of a "Mafia" involvement in the Butlin's Holiday Camp Empire, the defendants claimed that on three separate occasions the plaintiff's had associated with known members of the :"Mafia", in 1965 the defendants claimed that directors of Phonographic Equipment Company Ltd went into partnership in a gaming club in London known as "The Colony" with a Dino Cellini, a known close associate of Meyer Lansky one of the World's most famous gangsters.



DINO CELLINI- By his sheer mathematical genius, self discipline, and class, style, elegance, and his charm and his charisma, Cellini was the preeminent casino mastermind.

The above photo is of Dino Cellini outside "The Colony" club where he ran a training school for would be croupiers, the club was hosted by another mob associate the actor George Raft.

It was also claimed by the defendants that Max Fine had met with a New York crime family boss Tony "Ducks" Carrola and British gangster Albert Dimes along with another New York mob guy named "The Duke" (who worked for

"Gabe" Forman at Las Vegas Coin Ltd in 1960) it was alleged that this meeting was over a gambling debt, when I personally know it was over an outstanding debt by Phonographic Equipment Company to "Gabe" Forman's Las Vegas Coin Ltd, for a stock of machines that "Gabe" Forman sold to Phonographic prior to "Gabe" having to leave the country at the request of the British Home office, and never had time to collect payment for the machines (these machines were a bunch of "Paces Races" machines).

Then the defendants claimed that Gordon Marks met with the Philadelphia mob boss, Angelo Bruno about opening a casino in Marbella, Spain, when in fact that meeting was over a gambling debt owed by Gordon Marks who was a degenerate gambler, that all of us that knows him can testify to.

Angelo Bruno owned an illegal gambling club called the "Pair of Shoes" in London, where Gordon Marks played a game of poker at, this club was run by an associate if mine called Frankie Alponce, better known in the London underworld as "Frankie Flowers", he was also known as "Lord of the Clubs", he was shot to death on a street in Philadelphia by a gunman acting on orders from "Nicky Scarfo" the acting mob chief of Atlantic City, I had spoken to Frankie on the telephone just a few hours before he was gunned down.



Members of Phonographic Equipment entertained executives from Bally, Chicago, at the A.T.E. From Left to right are: Sam Kline, Bally; Cyril Shack (Phonographic); William T. O'Donnell, (President, Bally); Gordon Marks and Mike Green (Phonographic).

The nail in Cyril Shack and Phonographic coffin was the testimony of a purported to be F.B.I undercover agent called Herbert Itkin, who was in fact a wanna-be wise guy, working to stay out of jail for a New York district Attorney and was also a paid informant for the F.B.I and a "fink".

The Phonographic Equipment Company Ltd-Associated Leisure Ltd losing of the libel suit against "The Daily Mail" was the most unjust case against a group of innocent business people who were associated through business, with at the time the largest manufacturer of coin operated machines in the World-The Bally Manufacturing Company.



And because that company was under the influence of Organized Crime figures half way around the World, and because of one man Billy O'Donnell, wanting to save the company he had worked for since the end of World War II, and a leading company since 1934, where is the Justice, if all of these goings on where deserved in the eyes of the British Government, then they should do the same thing and look a little closer at the past associations of other leading companies that were tarred with the same brush of Bally Manufacturing Company, that company being SCIENTIFIC GAMES, who have been in recent times allowed by the British Gambling Commission to take over most of our solid British coin machine companies, even though they too have a very checkered history of corruption in the Lotteries and gaming industry in the U.S.A. the birthplace of political corruption in industry.

The British coin machine industry should demand that the British Government that banned Bally Bingo's of the 1960's, should also ban these equally addictive FOBT's that plague our industry in the very locations that we were assured would never be allowed to have even AWP machines period.

Next Week:

The facts and figures of the plagued FOBT's, and why they be banned, I would then ask your response to why they should be totally banned, you the operator must help save what is left of the traditional sector of our industry.