

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE January 12, 1960

SECURITIES VIOLATIONS CHARGED TO LUCKHURST & CO. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Luckhurst & Co., Inc., 40 Exchange Place, New York, and/or to suspend or expel the said company from membership in the National Association of Securities Dealers, Inc.

Luckhurst & Co. has been registered as a broker-dealer since April 1943. Douglas Luckhurst is listed as president and Leonard Rosin as secretary-treasurer; and they and Morris Dressler are directors.

According to the Commission's order, information developed in an investigation conducted by its staff tends if true to show that Luckhurst & Co., in connection with its conduct of a securities business on or about October 30, 1959, solicited and induced certain persons to buy and sell securities and solicited and accepted monies and securities from such persons upon the representation that it was solvent and ready and able to discharge its liabilities to such persons when, in fact, as the company and the three individuals knew but did not disclose, the liabilities of Luckhurst & Co. exceeded its assets and it was unable to meet its current liabilities in the ordinary course of business. Such conduct, the Commission charged, operated as a fraud and deceit upon the customers. It is further asserted (1) that Luckhurst & Co. during the period April 1958 to November 1959 engaged in the conduct of a securities business in violation of the Commission's net capital rule; and (2) that during the period September to November 1959, the said company and the three individuals made false and misleading entries in certain of the company's books and records with respect to loans to the company and transactions in accounts of its customers.

A hearing for the purpose of taking evidence with respect to the foregoing will be held at a time and place later to be announced.

FEDERATED PURCHASER PROPOSES STOCK OFFERING. Federated Purchaser, Inc., Mountainside, N. J., filed a registration statement (File 2-16015) with the SEC on January 11, 1960, seeking registration of 170,000 shares of Class A stock, to be offered for public sale at \$4 per share. The offering is to be made by Milton D. Blauner & Co., Inc., which as the company's agent will find purchasers or purchase and pay for the said shares and will receive a commission of 44¢ per share. Designated employees may purchase up to 7,500 shares at \$3.75 per share, as to which a commission of only 19¢ per share will be paid the underwriter. Milton D. Blauner has purchased 15,000 Class A shares from controlling stockholders at \$1 per share. An additional 15,000 shares are being registered for key employees pursuant to stock options.

The company is principally engaged in the distribution of electronic component parts and equipment as well as high fidelity and radio and television components and equipment. It has outstanding 15,000 Class A and 385,000 shares of Class B stock in addition to certain indebtedness. Net proceeds of approximately \$570,200 from the sale of the 170,000 Class A shares will be applied, firstly, to the elimination of about \$100,000 of bank loans; approximately \$200,000 will be expended in acquiring and equipping two new branches, one on the east coast and the other on the west coast; about \$100,000 will be used for purchasing additional inventory for new product lines; and the balance, or about \$170,200, will provide additional working capital and be used for general corporate purposes.

Of the outstanding Class A stock, Max I. Epstein and Muriel W. Epstein, president and secretary, respectively, own 7,500 shares each; and they also own 180,720 and 139,814 shares, respectively, of the outstanding Class B stock.

GLASTRON BOAT FILES FINANCING PROPOSAL. Glastron Boat Company, 920 Justin Lane, Austin, Texas, filed a registration statement (File 2-16016) with the SEC on January 11, 1960, seeking registration of \$600,000 of 6% Sinking Fund Debentures, due January 15, 1966, and 60,000 shares of common stock.

OVER

For further details, call ST. 3-7600, ext. 5526

These securities are to be offered for sale only in units, each unit to consist of \$100 of debentures and 10 shares of common stock. The offering is to be made at \$100 per unit through Hardy & Co. and Underwood, Neuhaus & Co.; and the underwriting terms are to be supplied by amendment.

The registration statement also includes an additional 40,000 common shares being issued and sold to certain partners and associates of the underwriters, and of Allen & Company and to William B. Hilgers, counsel, at \$2 per share, to provide interim financing for the company, which are to be sold in the over-the-counter market commencing March 1, 1960, at prices then prevailing for the shares.

The company and its former affiliates have been in the business of manufacturing and selling fiberglass pleasure boats since October 1956. It now has outstanding 250,000 shares of stock and certain indebtedness. Of the net proceeds of this financing, about \$200,000 may be used to construct additional plant facilities on land recently purchased by the company in Austin. In the alternative, the company may pay for such construction by conventional mortgage financing. It is intended to apply about \$12,000 of the proceeds to payment of a note executed in connection with the land acquisition. The balance of the proceeds will be added to general funds of the company and be available as working capital for general corporate purposes, including the repayment of current borrowings. A portion of the proceeds may be utilized in connection with future acquisitions of plant sites and the purchase of production equipment for existing facilities.

The prospectus lists Robert R. Hammond as president. Management officials own 67.5% of the outstanding stock, of which Hammond owns 22%.

---ooo0ooo---