



# Tucker Corporation Business & Legal Perspectives

TACA Presentation  
July 27, 2019

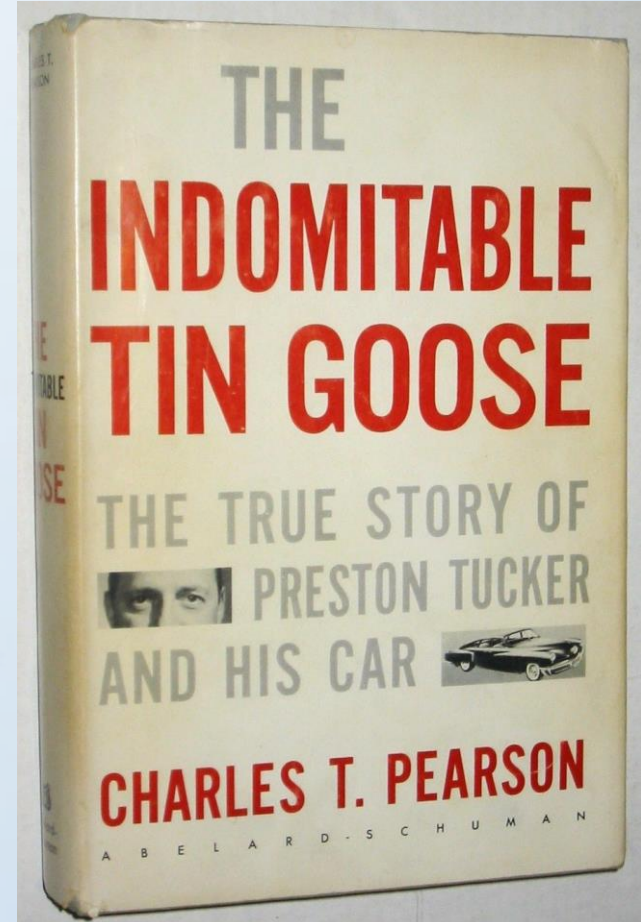
July 17, 2019

Larry Clark, TACA Member  
Society of Automotive Historians  
Chancellor, LSU Shreveport

# My Start: Hershey, 1977

Joined Society of Automotive Historians

## Did Preston Tucker intend to build his car?





# Automotive Hall of Fame, November, 1990

## H History as a Hobby: Business School Dean Doubles as Automotive Historian

What do Civil War buffs, stamp and coin collectors, and automobile historians have in common? They're all lucky enough to share a passionate attraction for one facet of life. Those of us who don't have a hobby or interest that consumes our energy may have a hard time understanding what drives people who do. We may look with disdain at those who "waste" time pursuing such activities, or we may secretly envy them for finding a way to obtain so much pleasure.

How does a person develop a love for a particular subject—such as automotive history? We interviewed Lawrence Clark, a man who enjoys learning about the people of this industry, to find out.

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When Lawrence was in third grade, Louise Nayhart, an author from his Illinois hometown, came to his school as a guest speaker. His parents gave him her book on Henry Ford as a present, and he quickly devoured it. Recognizing Lawrence's interest in automotive history, his parents took him to Greenfield Village and the famous Henry Ford

Museum in Dearborn, Michigan. There he viewed a film about Henry Ford which so intrigued him that he later convinced his parents to arrange to borrow it from the museum so that it could be seen by his whole grade school. Meanwhile, Lawrence began reading whatever he could find about Henry Ford and the growth of the early automotive industry.

Every January from the time he was eight years old, Lawrence's birthday present was a trip to the Chicago Auto Show with his father. At that time the show exhibited antique cars, which attracted him more than did the new cars. While at the show, Lawrence would be allowed to purchase Floyd Clymer trade books, in black and white, which provided a history of different model cars. To this day, he has quite a collection of these books. During his adolescent years, he continued to read and collect materials chronicling automotive history. When he was a junior in high school in 1966, he bought a 1929 Ford and began having it restored.

In preparation for making decisions about college and a career path, Law-

rence Clark wrote letters to the men heading up marketing research for both Ford and General Motors, asking what educational plan they would suggest he follow in order to pursue a career in automotive marketing. They both responded with two-page letters, recommending a broad, liberal arts background in college, then a master's degree or MBA in marketing, followed by a company internship. Clark learned that neither man had ever received such a letter from a high school student, and they were impressed by his enterprise. He was similarly impressed by their thoughtfulness in providing such complete responses.

A career in the automotive world was not his only ambition, however. As a young man, Clark had also been strongly attracted to the law. He had read every Perry Mason book written. He studied business law in high school, and was encouraged by his instructor to pursue a legal career. After extensive thought, Clark realized that if he chose to study law, he could always be involved with automobiles as a hobby, but if he chose

an automotive career, it would be difficult to be involved with the law as a hobby.

Clark thereupon gathered a degree in economics and two degrees in law and began practicing law in Illinois. He is now the dean of the College of Business Administration at Louisiana State University in Shreveport. The author of two business law books, he would like to be able to spend more time working on automotive topics, but finds it difficult to do so because of the academic world's requirement that he produce serious work in his field.

In addition to his fascination with Henry Ford, Clark has also been drawn learning about Preston Tucker. He saw his first Tucker car at the Antique Automobile Club of America fall auto show in Hershey, Pennsylvania, in 1951. He bought Charles T. Pearson's biography of Tucker and devoured it. Since then, Clark has collected every article about Tucker or his company that appeared in *The New York Times*, *Business Week*, *Time*, and *Newsweek* between 1940 and



Dr. Lawrence Clark at work in his study.

LEA  
IN COM  
TECH



# Examples of Research

# Calendar Project

Tucker Bibliography/Larry Clark (Copyright)			1947
Publication	Description	[1947]	Page Date
Tucker Corporation	Tucker Corporation Annual Report.		Jan
<del>UNK</del> UNK	<del>Tucker</del> Tucker Planning		Jan
Aluminum & Magnesium	Article on amount of aluminum to be used in new Tucker car		Jan
UNK	It's Now! Selling Partnerships		JAN
Modern Metals	(Aluminum Alloy?) Tucker Planning	25	Jan
Motor*	Tucker is in Lease Battle with WAA over Dodge Plant.	35	Jan
Chicago Tribune	Tucker Victor in Battle for Big Dodge Plant. Lustron loses. Wyatt resigned. Frank Creedon new Housing Expediter.		1/4
UNK	Early start Expected on Tucker Car Production		1/6
Chicago Tribune	Tucker, Eight Associates, and Firm Sued. Suit by Granik over distribution rights in New York and northern New Jersey.	1/11	
UNK	Tucker Sales Formed		1/20
Automotive News	Tucker Franchises to Cost Each Dealer \$4,000. Rockelman: goal of 3,000 dealers @ \$20/car for two years @ 100 cars/dealer. Raise \$12M		1/27
UNK	Safety Most Important Factor, PT Tells SAE		1/27
Automotive Digest	Rubber Springs are Coming	65	Feb
UNK	Tucker Selling Franchises		Feb
Automotive and Aviation Industries Ind.*	Mr. Tucker Tells About His Car (will have ventilated disk brakes).		2/1
UNK	Marketing Program for Tucker Torpedo To 16		2/3
Automotive News*	Picture story of Preston Tucker.		2/3
UP	Tucker, New Auto Field Entrant, To Strive for Safety. PT speaking in Buffalo to engineers. Said: "Pilot models... approaching completion and soon would be ready for road tests."		2/5
Chicago Tribune	Tucker Schedules First Production in June with 200 Units.		2/11
New York Times*	New "Torpedo" Car Production to Start in June.	38	2/12
Automotive News*	Tucker Slates 200 Cars in June for Output Start (25,000/month by 4/48)		2/17
Wire Photo*	Tucker Cars Outside Federal Building (records for the Grand Jury).		2/21
New York Times*	Tucker announces plan to seek \$12M through auto-dealer Organization. Plans for stock issue, 9-person board of directors to be created (expect PT, Cerf, Rockelman & Amos Brown).	22	2/22
Detroit Free Press*	Financial Barriers Blocking Market for Tucker's Torpedo.		2/22?
Motor Age*	The Tucker '48 (shows streamlined 2-door Tucker car).	47	Mar
Bulletin	Tucker Corp. Obtains Extension to July 1st		Mar

June 1948

PT+CCER

→ PT Speedy Describes transaction (FIRST TIME)

Copyright: Larry Clark (lawrence.clark@sonoma.edu)

Sun Mon Tue Wed Thu Fri Sat

		<p>2</p> <p>Conf: White &amp; PT/ultimate engine.</p> <p>DETENT LEAS</p> <p>TORQUE SHOWS</p> <p>DETENT</p>	<p>3</p> <p>SEC (Goode) contacts TC (Coolidge)</p> <p>TC Rcvr mfg. Car spec. req's. Grower-Offutt steering wheel, floors, acc. ped. &amp; trans.</p>	<p>4</p> <p>White-Dolan/ new type engine. Eng'r conf: produce 100 more engines. Hildebrand-Offutt/ Impr. design &amp; engine changes.</p> <p>PT-MTG ALEXANDER</p>	<p>5</p> <p>Dorman: Progress report (every Saturday). Rep: 7 sample engines.</p>	
<p>6</p> <p>Drew Pearson's radio show.</p> <p>P.T. press release.</p> <p>PT complains to Arty Gen'l Clark/ SEC harassment.</p>	<p>7</p> <p>TC stock drops from \$8.10 to \$2.90</p> <p>3 cars parked outside Pearson's office.</p> <p>Perry-White/ List 413 parts held up.</p> <p>AUTO NEWS</p>	<p>8</p> <p>Board meeting: SEC supposedly not discussed.</p> <p>Offutt-Smith/ "Car 26."</p> <p>TC-Dorman/ starters &amp; clutches (6-9).</p> <p>PT+GOODE</p>	<p>9</p> <p>PT meets SEC in Wash. D.C.</p> <p>Conf/ inspection of car (10...)</p> <p>Dorman-Parsons/ new heads, relocate s/pugs.</p>	<p>10</p> <p>PT-LEWIS</p> <p>SEC issues order to Reg 1 Office: go forward.</p> <p>SEC demands TC produce doc's, refusal.</p> <p>Changes/ R-1 trans.</p> <p>MAYNARD</p>	<p>11</p> <p>Dulan presents necessary progs./dealers(6-10).</p> <p>Hildebrand-Jacobs/ engine changes.</p> <p>ME Y-1 elec. mount locations.</p>	<p>12</p> <p>Treece-White/ prod. sched/ 2500 cars, signed by PT. White REFUSES to accept.</p> <p>PT, RACCOM</p> <p>TREECE OFFUTT</p>
<p>13</p> <p>Ad nat'l newspaper ad.</p> <p>Clifford Conrad. C.A. wins radio car.</p>	<p>14</p> <p>SEC moves TC records (4/47-).</p> <p>S.Board meeting.</p> <p>Mayflower/ Wash D.C./ D&amp;D dinner/ watch.</p> <p>Newsweek, p.68.</p> <p>TIME, p.94.</p>	<p>15</p> <p>SEC court cases SEC order/ records.</p> <p>Dorman/ forging dies.</p> <p>crankshaft.</p> <p>PT-D&amp;D/ watch.</p> <p>PT-OTW</p> <p>DETENT</p> <p>NEWS PARTS</p>	<p>16</p> <p>10... &amp; A-CM car inspect report &amp; analysis.</p> <p>Sales meeting: Torque-o-Matic Drive.</p> <p>PT+RACCOM</p>	<p>17</p> <p>Dorman.</p> <p>Conf: Y-1 trans.</p> <p>Dorman/ cold box tests.</p> <p>Sales meeting: Torque-o-Matic Drive.</p> <p>PT+RACCOM</p>	<p>18</p> <p>PT LETTER</p> <p>DORSE AWAITS</p> <p>1004, 1007 to &gt;M.</p> <p>Hausstein-Offutt/ Car 1006(engine Wash.D.C. trip.</p> <p>ME Y-1 elec.</p>	<p>19</p> <p>Tucker factory wedding... JR. WEDDING</p> <p>TEST #1012</p>
<p>20</p> <p>Frank Smith, N.J., wins radio car.</p>	<p>21</p> <p>Clifford-White/ purchase commitments.</p> <p>Dorman/ 16" fan.</p> <p>Milke/ leakage water/ s/pug hole.</p> <p>Morley-Madden/ costs- trans.</p>	<p>22</p> <p>8 DAYS</p> <p>SEC show cause date to 7/2/48.</p> <p>White-Offutt/ fuel inj.</p> <p>Y-1 trans. conf: goal of 125 cars by 8-7-48.</p> <p>BORARD MTG</p> <p>MID-A-C-M</p>	<p>23</p> <p>Auto pump change.</p> <p>ME/ new int. lay-out.</p> <p>F-1 complete set stampings by Aug.</p> <p>8-7-48.</p> <p>PT+MICH</p> <p>SHOWS OFF</p> <p>CAR</p>	<p>24</p> <p>6/24/48</p> <p>PT-D&amp;D/ Shutdown/ nat' toll &amp; die strike/ greater assembly time when re-open.</p> <p>ME/ mfg.-heaters.</p> <p>PT-FA.</p>	<p>1004, 1007 to A-CM.</p>	<p>Plant shutdown (2 wks).</p> <p>M/vac. lines/ w/s wipers.</p> <p>W. Stamplf.</p> <p>M/Mech, quits.</p> <p>YMET Invoice/ R-1: \$21,123.</p> <p>PT-PA, ME</p>

<p>27</p> <p>At 3/4 dinner &amp; 6/15 PR: 29 cars completed, (69 almost completed, 3 assembly lines*.</p>	<p>28</p> <p>71 Dietz (181,757 orders), 1,812 dealers (87,380 orders)*.</p> <p>Conf- fuel inj.</p> <p>Rice-Offutt/ R-type trans.</p> <p>AUTO NEWS</p>	<p>29</p> <p>Morley-PT/ conf. memo.</p> <p>Treece (court, 1-19-50): "Die program 90 to 100% complete by end of June."</p> <p>PT+GOODE</p> <p>A SEC</p>	<p>30</p> <p>Ashapiro/ Sh derivative suit: no cars/ no action.</p> <p>SEC records hearing.</p>	<p>Copyright Larry Clark</p>	<p>AD- LIP. EXAMINER 6-15-48</p> <p>OPEN LETTER TO AUTO INDUSTRY</p>
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6-15 ✓ TUCKER BLAST RUCO SENATOR.  
 DETROIT NEWS; DEN FERGUSON GILES PT PUBLICITY SECRET  
 6-22 PT THREATS TO ADAPT PERSONS "HARASSING" WITH  
 6-24 AUTO DEALER: FIRST THREE HOURS FOR INTERVIEW  
 TROUBLES GEORGE AUTO MARCH  
 GLENN "JOSS" SPEECH IN OAKLAND  
 6-24 "JUNE ISSUES HOW CRUEL CRIMES"  
 6-24 REC. ATTORNEY  
 28 FEVER PATS  
 6-7 PROBABLY  
 ACCESSORIES  
 TOCKERS  
 6-28 NEW AUTO TRAMPS SPEECH TO REPORT  
 FOR WILL BE OPTIMIST OTHER RADICAL FAMILIES  
 6-28 PHON. PMS. 15



# Car Histories

GOODRICH TUBELESS TIRES - ONE UNTIL 1961 1952: ON DISPLAY AT MOTORAMA, LOS ANGELES, THROD RIDE

Tucker Car Histories Larry Clark (Copyright Retained) January 4, 2015

Car	Body	Engine	Trans.	Color	Trim	Built	Acq.	Amount	Purchaser-Owner	Loc.	Notes for 1003 ("Red Car B")
Oct-48	33514	Cord	x Y-1	200-WB	A10/50	\$2,500	Georgia Tucker Motors Factory		Matamor	IL	Not on 3/3/49 or 4/1/49 inventory lists. Built by 3/1/1948 (P.T. memo, 5/11/48)
Dec-48	Both				200-WB	Nov. 1951	?		Susanville	IL	Jim Schlipf (son) said Ezra bought at auction.
Mar-49	NL				Gold	1969	?		Ontario	CA	Likely missing Lot 6 on Bky Report. \$2,500
Oct-50	33540	Yes				?	?		Ontario	CA	At auction: No interior, rear end, eng or bumpers. Only body shell, suspension, front fenders & Motorola heater.
						1988	?		Upland	CA	E33514 shown on #1011 3/3/49L
						Jan-97	?		Unknown Buyer	?	Schlipf installed 102" door panels, headliner
						1/16/98	\$241.5K		Buck Kamphausen (RM co-owner)	CA	Replacement E33540 on 12-13-48 list.
						3/8/03			Auction, \$220K. Not Sold (Amelia Is.)	GA	Emmett Ryan painted car for Brownell.
						10/6/06	?		Brent DuCoing (1006, 1034 & 1041)	CA	Tom McCahill 25th Anniv. test car (1965)
									Anaheim Hills, CA	CA	Hamilin rest. 1971-72. Added 4th ring. 1975 VW gold paint
										CA	Car Classics, Oct 72, cover
										CA	*1002, 1012, 1026-27, 1048, 1950-51 (10167)
										CA	*1009, 1014, 1017
										CA	Michael Reynolds was front buyer for DuCoing
										CA	Russ Brownell restored interior/exterior
										CA	<a href="http://www.bilfro.net/entry/482921">http://www.bilfro.net/entry/482921</a>
										CA	1975 VW GOLD
										CA	Common vehicle similarities.
										CA	1003-1025. Rubber sandwich type suspension
										CA	1003-end: Front bumper lengthened-protect center light.
										CA	1003-end: Rear fender changed. Could remove tire.
Car	Body	Engine	Trans.	Color	Trim	Built	Acq.	Amount	Purchaser-Owner	Loc.	Notes for 1003 ("Red Car B")
1003	1003	33504	Cord	600-Mar	940	Unknown	N/A	N/A	Factory	IL	Radio head: 1-2-3-4-5-M.
			x Y-1	500-Gray	920	8/11/48	\$5,000		Numerick Auto Sales (12/27/48 List)	OH	Have period pix (Ken Main)
						7/14/50	\$4,900		Art Watson Cincinnati, Miami	FL	Period photo: Ed Numrick. Cincinnati, OH Bky sale 7/14/50.
									Another owner?	FL	Factory Motorola heater (also 1002, 1008 & 1017).
Oct-48	33514	x Y-1	600-Mar			1957?	?		Nick Jenin Fort Lauderdale	FL	ID plate-Cammack/Bruce Pascal/Color 500, Trim 920
Dec-48	33514					?	?		Paul Stern Antique Cars Manheim	PA	*1005, 1012, 1026, 1037, 1045, 1046 (03,49?)
Mar-49	N/A					1962	?		William Pettit (museum) Louisa	VA	13,391 mileage in 1984
						8/3/05	\$385K		Lucas Film (also #1009) San Rafael	CA	R Brownell restored engine & transmission (also 1008)
						2005/6?	?		Dean Kruse	IN	Not original interior (replaced). Now 920.
									John Bocardo/J. R. Roberts (Palm Springs, Sausalito CA)	CA	Post Card-Pettit's Museum Motoring Memories. Natural Br
									Amelia Island Auction, GA. \$1,475,000	CA	Not used in movie (contrary to ads)-R Jones
									ACQUISITION OF ART UNIV. SANTA MONICA CA	CA	Offered on e-Bay, Aug 2001, pulled
										CA	Christie Auction- Aug 2002. Not sold
										CA	Rest -TN 2005-06 Christopher Nezar, Classic Muscle

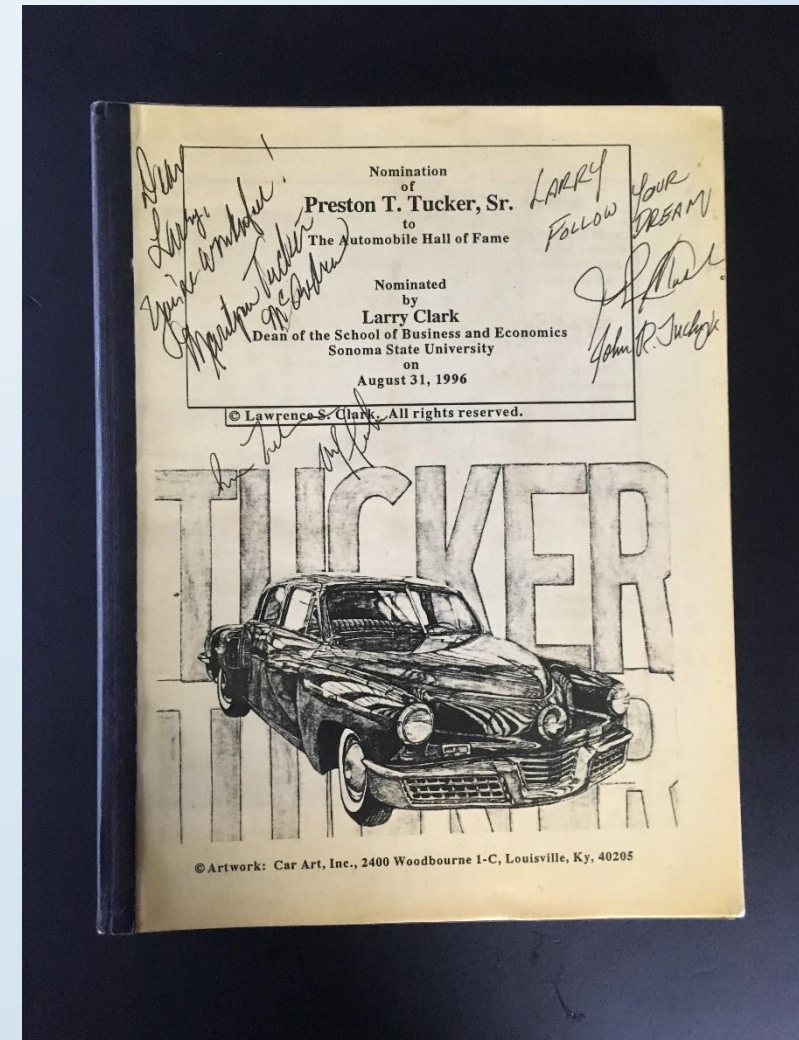
1002 originally had lowered uppers. ORIGINAL - LOWER TRANSMISSION. RB- Ford gearbox 1st Eera engine - from test chassis 2nd Eera ENGINE FROM 33540 HAD 1002, 1027, 1032, 1048, 1050, 1026

1003-1025. Rubber sandwich type suspension 1003-end: Front bumper lengthened-protect center light. 1003-end: Rear fender changed. Could remove tire.

Stored for nearly 20 years prior to Mexico Car Histories includes research notes from Stan Gilliland, Richard Jones and Mike Scutta

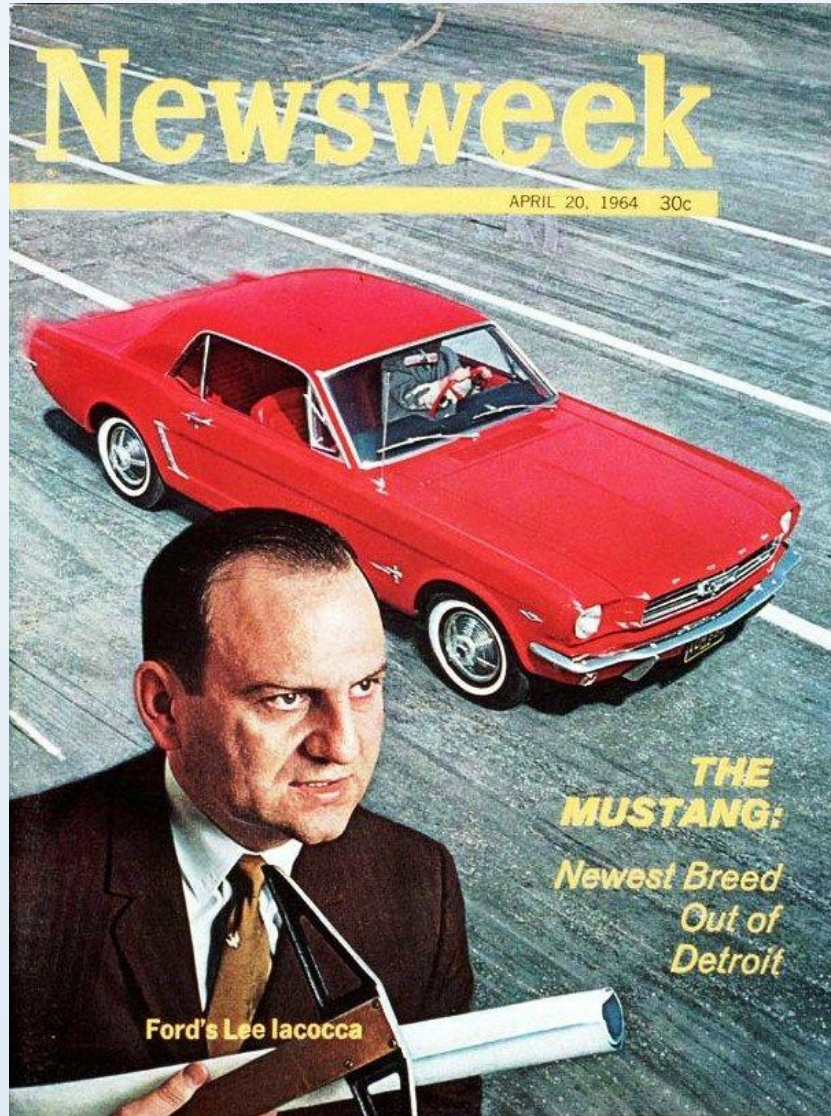
1988 Post-Movie MIKE DEFUNZO RESTORED NEW BRUCE NEW INTERIOR, CHROME

REPAIRED PRIOR TO MOVIE FRINGE E-BAY AUG. 2005 \$385,000 RESERVE MIKE





# Preston Tucker is most like.... Lee Iacocca?



“He was neither an operations nor a manufacturing genius. But he was a world-class salesman... He made people believe in him.”

# Preston Tucker is most like....

John DeLorean?

Elon Musk?





# For Level of Insight? “Jobsesque” for Cars

I-Phone Debut: 6/29/07



“Steve Jobs has changed the way the world communicates, interacts and entertains. He's even changed the way we think.”

Business News Daily

10/6/11



# Preston Tucker's Legacy

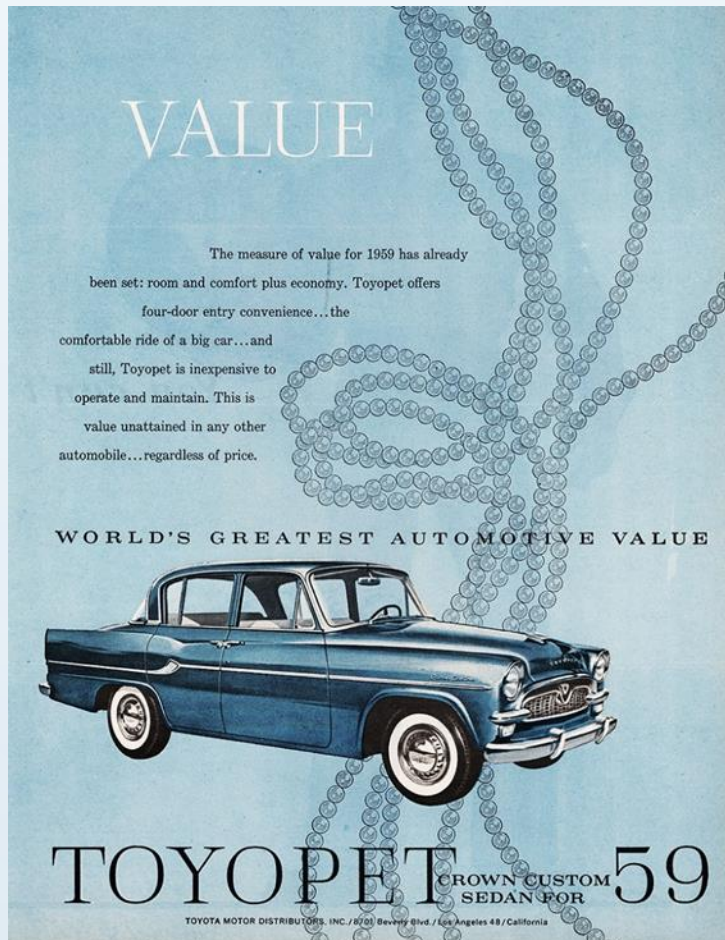
From Nomination to AHOF by Larry Clark (Submitted in 1996)

1. Preston Tucker tried to build "his car"
2. First to define today's car
3. First to respect the role of the car buyer
4. Pioneer in recognizing the value and role of women
5. First to link styling, safety & performance
6. Very strong commitment to quality
7. Leader in developing "skunkwork" teams (YM&T for engine, transmission)
8. First to commit to today's auto technology (fuel injection, disc brakes, independent suspension, etc.)



# Proof of “Jobsesque”?

## Toyota





# Further Proof of Tucker's Legacy?

## Smithsonian Museum

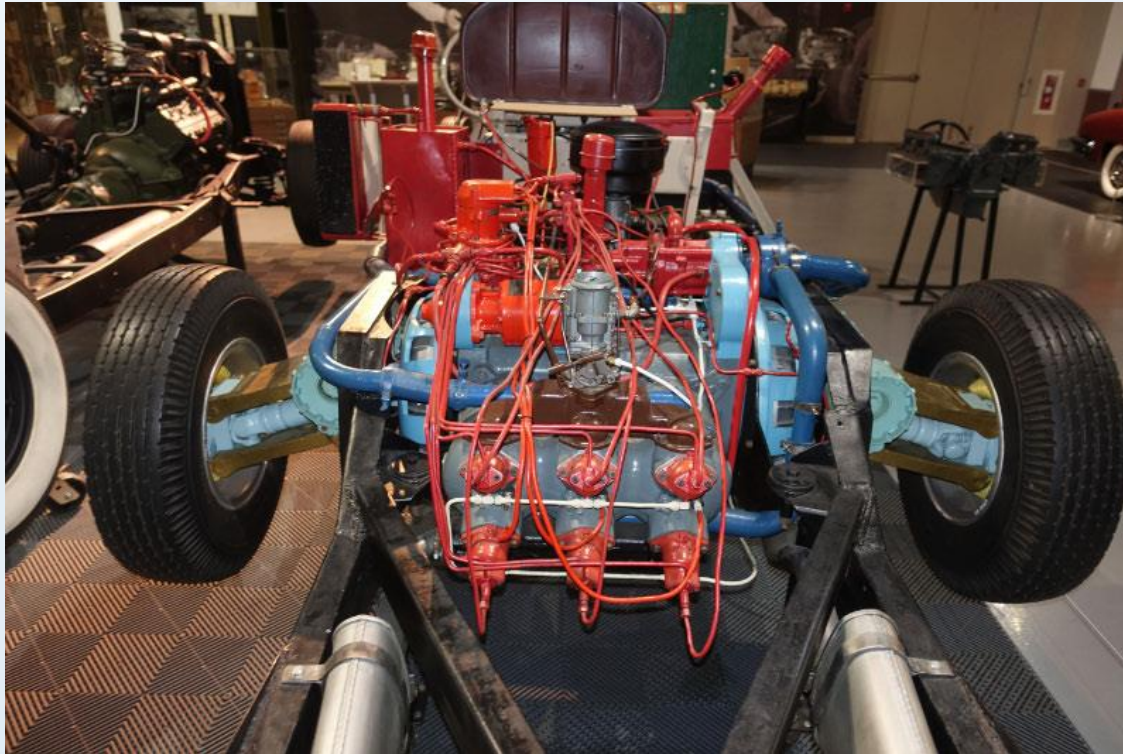


- 1992. U.S. DEA agents seized #1039 in California.
- TACA petitions the Smithsonian Museum to seek #1039.
- 1993- Smithsonian acquires #1039.
- #1039 part of Smithsonian 150th Anniversary USA Exhibit Tour (only car). 1996 – 1998.

# “Jobsesque” Illustrated

589 Engine/Drive

Stayed too long with this engine



Tucker Exhaust (#1015)

Wanted the right exhaust sound





# Post WWII Market for Tucker Corporation

- Huge demand. 1944 Fortune forecast: 25M cars needed over 5 years
- Big 3 strategy? Focus on volume sales (not small or very expensive cars)
- Big 3 market share: 90%
- Chevrolet Division had **\$150M** to rehash their 1942 car (**Tucker \$26M**).
- Ford debut 10/46. 300K orders taken.
- Announced new car companies? 32
- Most “successful” new car: Kaiser-Frazer.



## Where are they now?

Return with us now to those wondrous days of yesteryear. It's 1949 and automobiles are getting longer, lower and wilder. Massive bumpers are a big hit. Fins are in. And everyone's promising to "keep in style

with the times." But then, times changed. Massive bumpers and fins went out. So did every car shown above, except the VW. You see, back in '49, when all those other guys were worrying about how to

improve the way their cars looked, we were worrying about how to improve the way ours worked. And you know what? 2,200 improvements later, we still worry about the same thing.

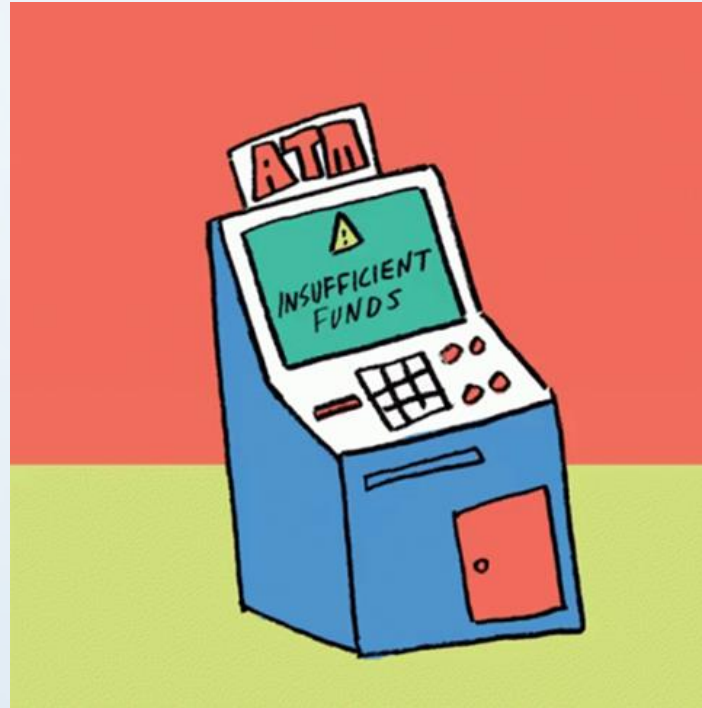


# Primary Challenges for Tucker?

Time/"Jobsesque"



Money (\$26M)



Government





# Kaiser-Frazer

## Assembled Car



Company founded

7/25/45

Awarded plant

Late 1945

Initial promised car

**Not Produced**

1946: Cars Produced

11,000

1947: Cars Produced

130,000

1948: Cars Produced

140,000

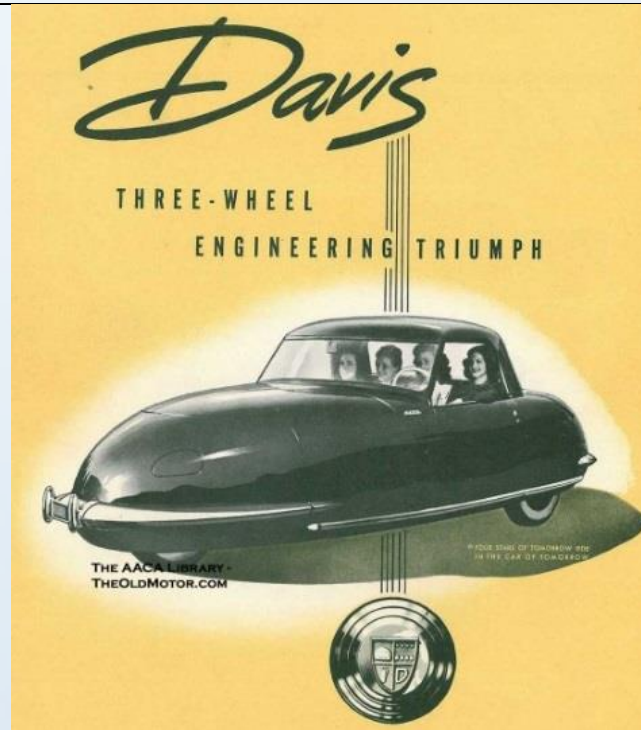
**Henry Kaiser: Impact of first \$50M?**  
**"It scarcely caused a ripple in the pond of our financial needs"**

# Interesting other New Cars

Playboy



Davis



Muntz Jet

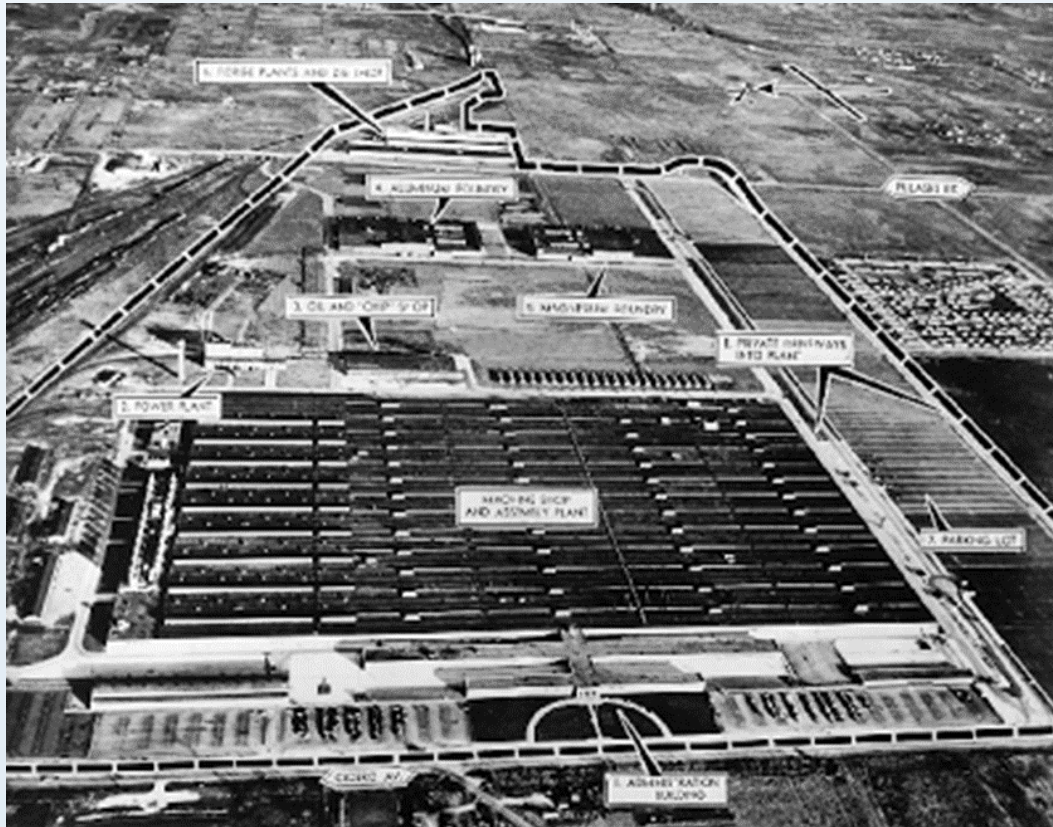




# “Need semblance of a car & a plant.”

## Preston Tucker & Abe Karsten visit Floyd Cerf

November, 1945



**THE  
MOST TALKED ABOUT  
AUTOMOBILE  
IN THE WORLD  
TODAY**

*Announcing*

*The* **TUCKER** *Torpedo*

For those who demand the most in safety ... who want something new in distinction and comfort ... who want to go places ... for the engineer who knows and appreciates the genius of creating and producing a really great car ... for these and thousands more who have been accustomed to the best, here is the Tucker Torpedo ... the rear-engine car of proven advantages.

# PIC Magazine: January, 1946

Charles T. Pearson

“Off the drawing board into production stage...”

150,000 responses

## Challenges

- No Capitalization
  - 9/12/47 Gets \$15M
- No Plant
  - 6/3/46 awarded
- No Prototype Car
  - 6/19/47 Tin Goose

[Tucker 1001: 3/9/48]

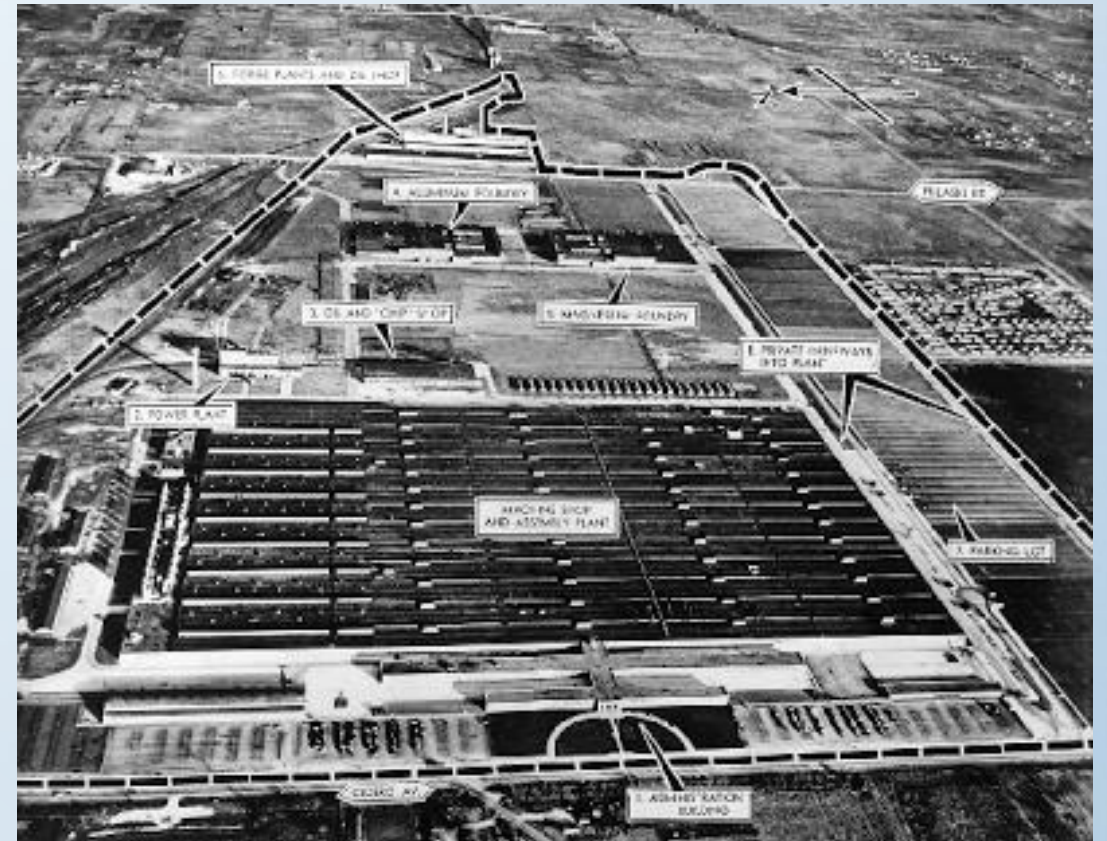




# “World’s Largest Plant”

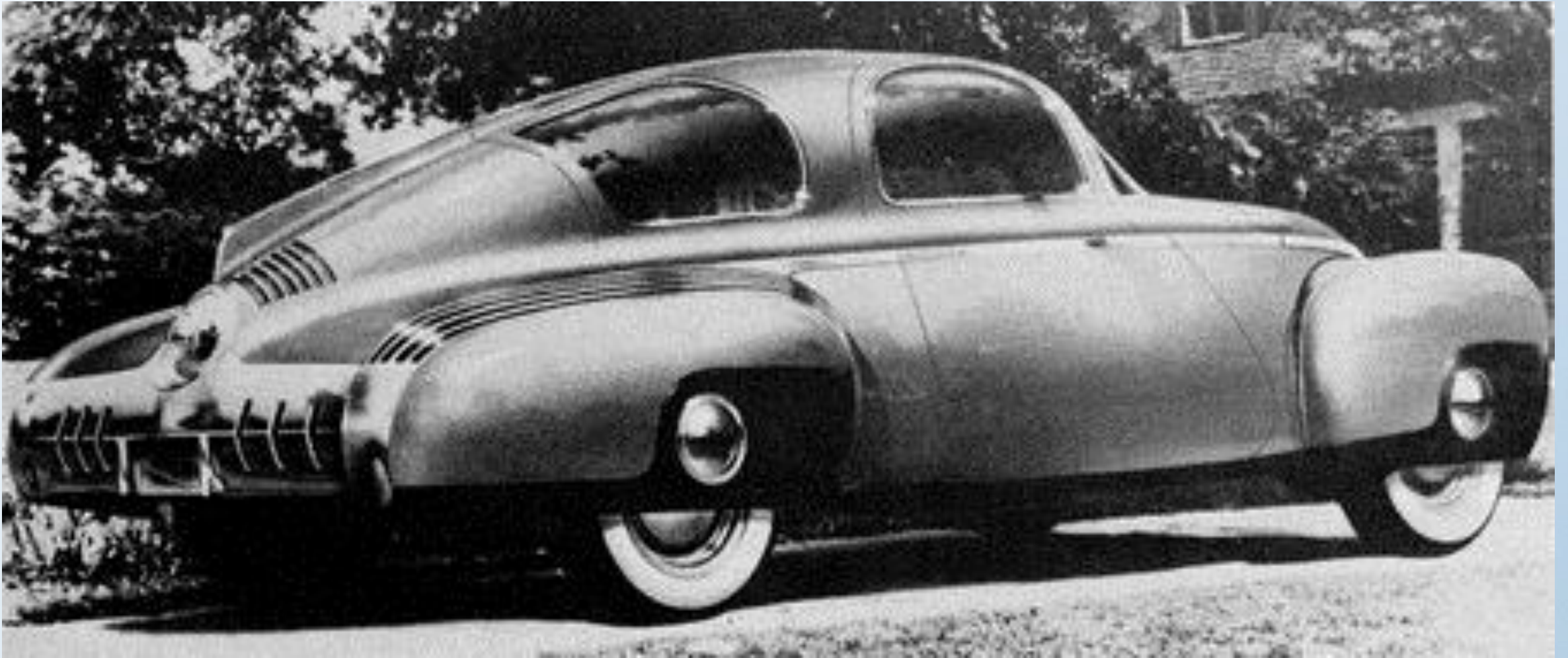
1. Secured 6/3/46
2. How? President Roosevelt –UAW agreement
3. Terms:
  - Need \$15M, 50 cars within year (ultimately extended to 1/1/49)

The main building covered 82 acres & occupied over 30 city blocks.



# Have a Car, Sort of...

(Tucker Basically Invented PhotoShop)





# George Lawson's 1/8 Scale Model Car

Model on Display at Petersen Automotive Museum



# Promised Car Features

- “15 Years of Testing”
- Cost \$1,000 (actual likely: \$2,450)
- Focus on safety (yes)
- Aluminum or plastic body (steel)
- 589 c.i.d. engine (335 c.i.d.)
- Cruise at 100 mph (potentially)
- Up to 65 mpg (20 to 22 mpg)
- Disc brakes (too soon)
- Fuel injection (too soon)
- Independent suspension (yes)

[illegible]



# SEC Perspective: Selling Hype, Not Car

## HOW FIFTEEN YEARS OF TESTING PRODUCED The First Completely New Car in Fifty Years



**PRESTON TUCKER**

President, Tucker Corporation. One of the nation's top designers and builders of special cars and several of many of the improvements in automotive design owned by Tucker Corporation—patents on which have either been issued or are pending.

### The Facts About Tucker Financing and the Tucker Plant

THE WORLDWIDE response to the recent Tucker stock offering is proof of the confidence the public has in the Tucker Corporation policies. The completion of this financing program now gives the Tucker Corporation ample working capital from the sale of stock and from dealer franchise sales.

As a result, the War Assets Administration has now given Tucker Corporation a long-term lease on the great former B-29 engine plant in Chicago with option to buy.

This plant—now the *Tucker Plant*—is the largest, most modern automotive plant in the world. It is ideally suited

for making a completely new car. It was laid out by automotive men for the most economical volume production, built by the Government and equipped with the newest, finest, automatic machines.

Only a manufacturer starting fresh in a plant like this could build the Tucker '48. Only an executive with Preston Tucker's background and determination to build such a car could lead so many top automotive men to pool patents, talents and resources in a common cause.

Already production lines to turn out a thousand cars a day are being set up in this plant.

### The Success Story of the Year

YES, millions are already thrilling to the news of a completely new car. Not the conventional design with a few annual model changes such as you are being asked to accept as new this year, as in past years. Not just new-looking, but new in performance, too, with dozens of exciting engineering features never before seen in a volume production car.

#### TESTED ON THE SPEEDWAY

How Preston Tucker developed these new features in fifteen years of rigid tests is a story of rare vision and courage. During these years he was a partner of the late Harry Miller in building the famous Miller Special cars which won 11 out of 15 annual Speedway Classics at Indianapolis.

In these years Preston Tucker created designs so advanced that even now no conventional automotive plant could produce them in volume without scrapping tools worth millions.

Later, when war came, Preston Tucker went to Washington and developed engineering features for motorized vehicles and aircraft. These and all other war materials were needed in such quantities that the Government spared no expense to create new plants and new mass production techniques.

This is why Preston Tucker today can start from scratch in the largest and most modern plant in the world... why he can build a car at a medium price with engineering features which up to now have only been built expensively by hand.

#### ALL ATTENDANCE RECORDS BROKEN

More than a million and a half motorists have already thrilled to the sight of this new car. In special showings in New York, Chicago, Toronto, St. Louis, Milwaukee, Boston, Philadelphia, Los Angeles, and Washington it has broken attendance records.

When you see it, you will realize how fortunate you are if you're in the market for a new car. For before many months you can own the first completely new car in half a century... a car in the medium—not the high-priced field, yet years ahead in performance, comfort, and in safety, too.

## OF TESTING PRODUCED New Car in Fifty Years



You'll Step Into a New Automotive Age when You Drive Your

# Tucker '48

### The Amazing SAFETY FEATURES of This Car Will Set a FUTURE PATTERN for the Industry

**Entirely New Safety Features.** Conventional instrument panel replaced by attractive sponge rubber crash-board cowl, under which is spacious safety chamber protected by steel bulkheads. Front seat occupants can drop into this space in a split second in case of unavoidable collision... The center "Cyclope Eye," located between special forecast-beam headlights, turns with the wheels to light way around curves and corners... Rear-engine design has lower center of gravity than any other mass production car, making it virtually impossible to overturn.

**Rear Engine.** 150-horsepower, flat opposed 6-cylinder engine located below level of passengers. More power for weight of car than any automotive engine ever built. Prevents

fumes, heat and noise from flowing back through the passenger compartment.

**Electronic High Frequency Ignition** delivers a hotter, more lasting spark. Gas in the cylinder is completely consumed, thus clearing away with engine knocks. Assures all-weather push-button speed in starting.

**Precision Balance.** The unique Tucker design distributes weight to give maximum safety, maximum power transmission, handling steering and driving control, and—for the first time—complete four-wheel traction in braking. Only a rear engine can achieve precision balance—for years the goal of automotive engineers.

**Single Disc Brakes.** There are no conventional brake bands to wear, no periodic adjustments. These new-type, air-cooled hydraulic brakes are 65% more effective, have 2½ times more braking surface than conventional brakes. Insure straight-line stopping (even on ice) without jostling passengers. The same type brakes that stop fast-landing military planes without skid or turn.

**Individual Wheel Suspension.** The new Tucker individual wheel suspension cushions each wheel by its own rubber torsional action arm, actually erasing shock instead of simply softening it. This unique suspension system also eliminates gyroscopic forces, thus preventing the Tucker '48 from veering with the wind and weaving or pitching at touring speeds.



**Fred Rocketman**, Executive Vice President, Director of Sales. Formerly President Plymouth Division of Chrysler Corp., and General Sales Manager Ford Motor Co.

### These men are the builders of the Tucker '48

Preston Tucker heads a group of executives who are honored names in the automotive industry. Each has left his imprint on the methods of manufacture and distribution of motor cars in use today.

Now these men are making automotive history all over again, building a car that will be the inspiration of engineers for years to come.



**Lee S. Treese**, Vice President, Charge of Manufacturing. Formerly Production Executive of Ford Motor Co.



**K. E. Lyman**, Tech. Advisor to the President. Engineering consultant with long Bug Warner and Bendix experience.



**M. W. Dullman**, Sales Manager. Formerly Sales Executive Buick Div. of General Motors, with long experience at Dodge, Studebaker.



**Herbert Morley**, Vice President and Director of Production. Formerly Plant Manager Detroit manufacturing units of Norm Div., Borg Warner Corp.



**Ben Parsons**, Vice President, Chief Engineer. Formerly consultant, international authority on simplification and fuel injection.



**Glenn A. Madden**, General Purchasing Agent. Formerly Purchasing Agent for Briggs Manufacturing Company.

### A Completely New Car —Yet with Engineering Principles Completely Proved

Address All Inquiries to  
**TUCKER CORPORATION**  
7401 South Cicero Ave., Chicago 29, Illinois  
Send export inquiries to Tucker Export Corp.,  
39 Paul Street, New York 4, N. Y.

# Getting a Car

## Too Long Fixated on What Not to Be

- Early 1945 George Lawson engaged as stylist to provide design.
- Dec/46 Dimensions of Tucker Torpedo scaled out on plant wall.
- 12/24/46 Preston Tucker meets Alex Tremulis.
- 1/5/47 Concept for car frozen.
- Spring/47 Lippencott brought in (3/3/47 – 5/3/47). Tremulis fired, rehired.
- 4/4/47 Design frozen for Tucker 48.
- 6/19/47 **Debut of the Tin Goose.**
- 1/8/48 335 engine to YT&M for rework. **Four engines ready in 60 days.**
- 3/9/48 Shareholders Meeting. **1001 & Chassis #3/R-1 shown. 335 finalized.**
- 3/18/48 Aircooled Motors purchased for \$1.8M **(125 engines ordered).**
- 4/23/48 25 re-built transmissions ordered from YM&T.

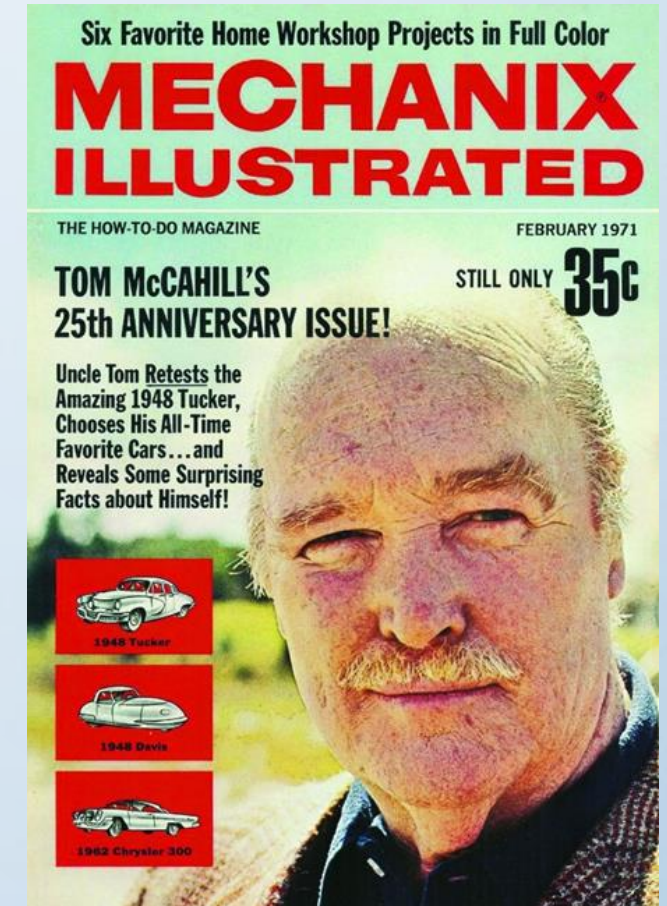
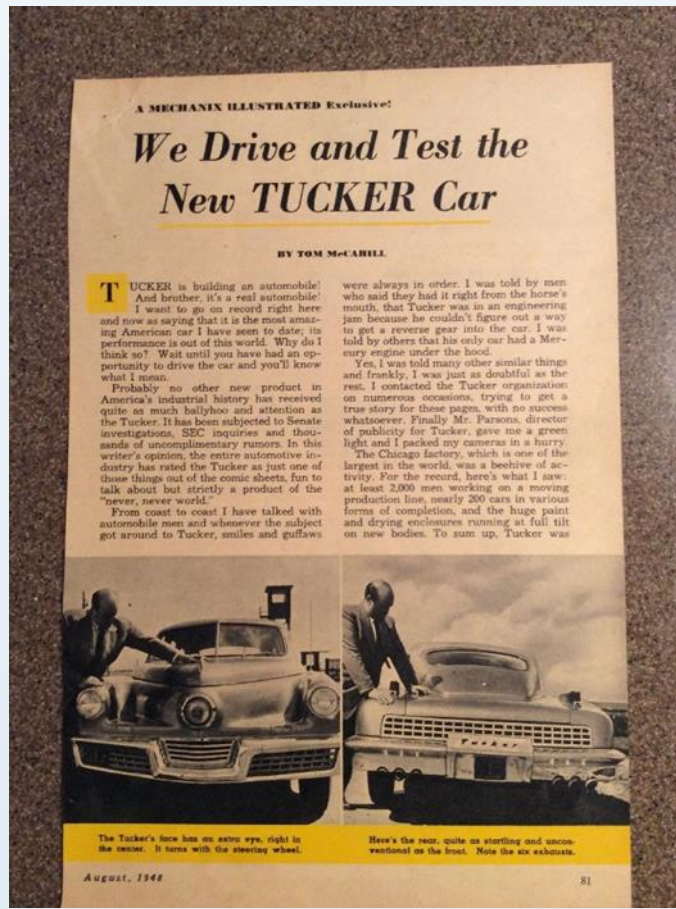


# Announced Production Dates

## “Forward Looking Statements” of Concern for SEC

- Jan/46 PIC: “Off the drawing board into production stage”  
[Plant not acquired until 6/2/46. Preston Tucker did not meet Alex Tremulis until 12/24/47]
- 7/16/46 “Production within 6 to 8 months.”
- 9/25/46 “First prototypes by 12/25/46.”
- 1/15/47 “Plant to begin production shortly.”
- 2/11/47 “200 cars/day by June, 1947.” **[Debut: 6/19/47]**
- 7/7/47 PROSPECTUS “Production in approximately 6 months”
- 7/14/47 “500 cars/month by October, 1947.”
- 9/12/47 “1,000 cars/day by March/1948.” **[Debut of #1001]**
- 9/17/47 “1,000 cars/day by August/1948” **[Up to 1014, maybe]**

# When Ultimately a Car High Acclaim for the Tucker 48





# Getting a Car to Production

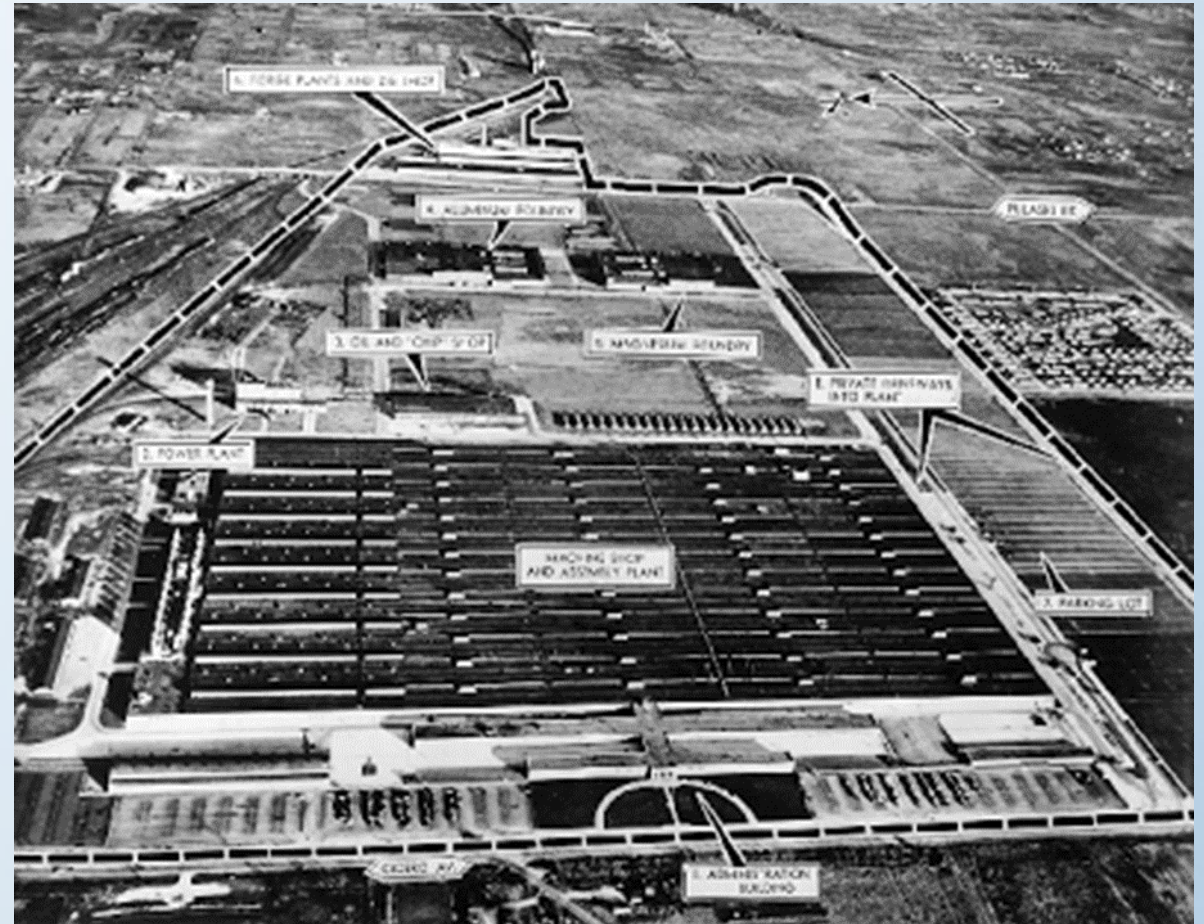
## Significant Business/Industry/Start-Up Challenges



1. Size/barriers of entry for a new auto company.
2. Securing financing is almost always difficult.
3. Significant challenges often exist to effectively evolve from the entrepreneur's vision to a viable management team.
4. Preston Tucker was a great marketer. However, he did not have a strong production or operations background.
5. Much time was needed to set and/or achieve final design, the engine choice, a viable transmission, final car features, etc.
6. Many distractions, especially with the plant.
7. Near continuously, over-zealous governmental interference (justification: protecting investors).

# From a Car to Production Plant Distractions

1. Lustron- fall, 1946
2. Focus on 50 cars versus 50,000+
3. WAA oversight chair: Sen. Homer Ferguson (Detroit)
4. Newsweek, 6/23/47 (year later):  
“The **\$150,000 check** for the plant is still not cashed.”
5. **Beasley & Beasley contract**
6. In Chicago: When will production begin? (**Elio situation**)





# Getting Financing- Initially from Dealers

- 1/46 PIC Magazine: 150,000 responses. No dealers.
- 6/3/46 Secure Chicago Dodge plant.
- 6/4/46 First sale of Tucker dealership. Escrow Fund.
- Sep/46 **SEC Balks:** Tucker franchise = security. Must start over.
  - Not usual to rely on dealers for initial corporate funding.
  - 50% cash, 50% note payable within a year. All at risk.

**Ultimate Dealer Contributions: Just over \$6M**

**June, 1948: 1,872 Dealers**

# Getting Financing - Beyond Dealers

## Essentially One Year beyond Debut

- 5/6/47      Prospectus to sell stock to SEC. **[SEC balks]**
- 6/19/47      Debut of the Tin Goose.
- 7/7/47      **SEC gives green light for sale** of stock. \$20M goal.
- 9/12/47      Sale of stock ends. \$15M. Plant lease finalized.
- 3/9/48      Debut of Tucker 48 #1001.
- 5/17/48      Accessories Program Kick-Off **[SEC back on alert]**

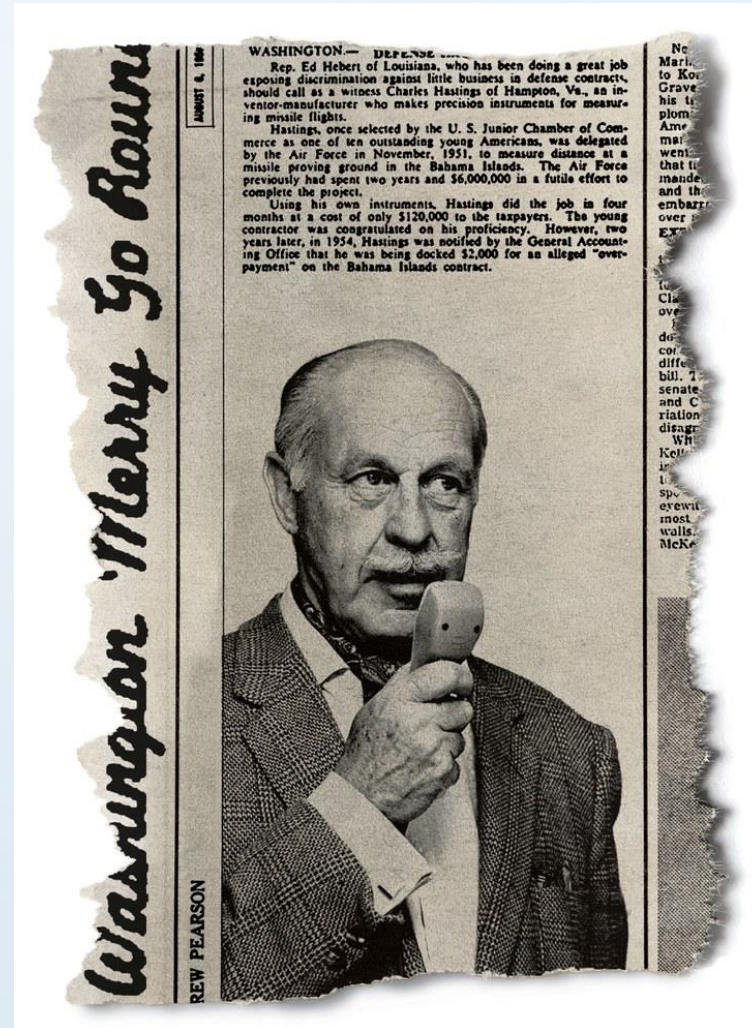
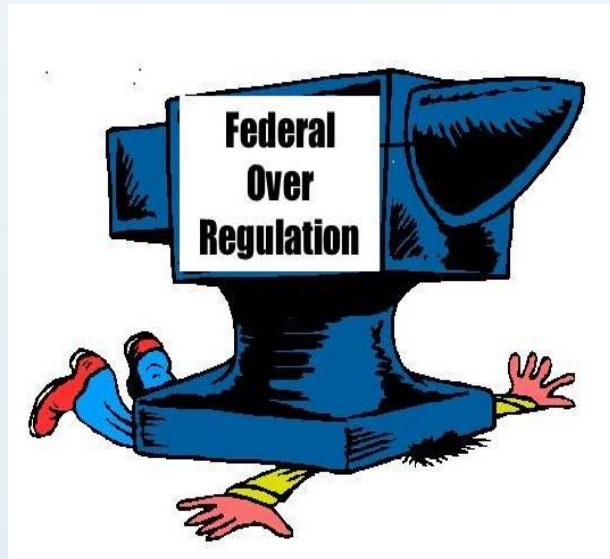
**Second stock sale: Never happened**

**Federal Loan Assistance: \$0**

**Total Available Funds: \$26M (Versus 75M likely minimum)**



# June 6, 1948: Ability to Raise Funds Tanked Drew Pearson/"Secret Report"



# Preston Tucker's Response

## Press Conference Washington, DC

(Gene Haustein, Driver. #1006 to DC)



## Open Letter: June 15, 1948

Challenge of Big 3  
intervention, spies.

“Most of the  
political pressure  
and investigations  
we have had to  
face... can be  
traced back to one  
influential individual  
who is out to "get  
Tucker.”





# Impact of Pearson/Report/"Open Letter"

- "Open Letter" motivated SEC, Justice & Sen. Ferguson.
- Stock value plunged (\$5 to \$3). Ability to leverage fell.
- Sales of new dealerships greatly declined.
- Accessories program slowed to an almost standstill.
- Dealers pulled back on payment of their notes.
- Suppliers started demanding cash, not credit.
- Creditors started pressing for payment/cash.
- "Secret Report" would be kept from Tucker, leaked to others. Basis of Detroit News & Collier's articles.

# SEC Focus: “Forward Looking Statements” Musk Missed Production Forecasts of Model 3



**BREAKING  
NEWS**

**SEC SUES MUSK, TESLA TANKS**

**CNBC**



# Elon Musk's Tweet

August, 2018



**ELON MUSK**  
**@ELONMUSK**

Am considering taking Tesla private at \$420. Funding secured.

Tweeted Yesterday @ 12:48p ET

**NEWS**  
**ALERT**

**SEC LOOKING AT IF MUSK'S  
STATEMENT WAS TRUTHFUL -DJ**

 **CNBC**

# Musk Settlements

Back in Trouble 4/19



- Still CEO, out as chairman (for at least the next 3 years).
- Musk is required to seek legal counsel before posting any public statements, including tweets, regarding the company's finances and business operations.
- Musk and Tesla agreed to pay \$20 million each.
- Mark Cuban: “Shut up.”



# Elio Motors: Under SEC Scrutiny

“Our goal is to revolutionize American transportation.”



- Founded: 2009 (Founder: Paul Elio)
- 65,000+ reservations
  - “I’m All In” (\$100, \$250, \$500, \$1,000)
  - “I Want In” (Refundable)
- 2016. Stock goal \$25M/got \$16M
- Up to 84 MPG Highway
- Engineered to the highest safety standards
- Targeted \$7,450 base price
- Plant: Former GM plant in Shreveport, Louisiana. Backlash: “When production?”

# 7/1/48: Effective Ending Point

“Plant temporarily closed”

Additional Things: 1948

**CLASS OF SERVICE**  
This is a full-rate Telegram or Cablegram unless the detected character is indicated by a suitable symbol above or preceding the address.

**WESTERN UNION**  
JOSEPH L. KAPLAN  
PRESIDENT

**SYMBOLS**  
DL - Day Letter  
NL - Night Letter  
CL - Cabled Cable  
SL - Cable to Home Office  
SLS - Submarine

The filling time shown in the date field in telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

CA 944 PD 1948 JUL 1 PM 8 57

CHICAGO ILL JULY 1 1948 923P

BRACKEN-HARRISON  
WZ 5427 WEST PICO BLVD LOSA

ALL FACTORY ACTIVITIES WITH EXCEPTION OF EXECUTIVE AND SALES EMPLOYEES ARE TEMPORARILY SUSPENDED EFFECTIVE TODAY PENDING EXAMINATION BY SECURITIES AND EXCHANGE COMMISSION OF OUR BOOKS AND RECORDS, WHICH WE HAVE THROWN OPEN COMPLETELY IN ORDER TO FACILITATE QUICK INSPECTION AND CLEAR WAY FOR SPEEDY RESUMPTION OF NORMAL OPERATION.

M W DULIAN TUCKER CORPORATION

THE COMPANY WOULD APPRECIATE SUGGESTIONS FROM THE PATRON CONCERNING ITS SERVICE

- Engineering work continued but unable to reset other major efforts to achieve production- How far away? Unknown
- 6/15/48 Court orders Tucker to turn over records to SEC
- 6/30/48 First shareholder suit
- 7/8/48 Employee parade. Six cars and Chassis #3.
- Sep/48 Test of Tucker cars at Indianapolis Speedway
- 10/28/48 #1037 completed. Plant closed. Never reopens\*
- 12/15/48 Bankruptcy suits consolidated

\* Cars 1038 – 1050 still “completed”



# Additional Things: 1949

- 2/18/49 New Board of Directors
- 2/21/49 More records to Kerner  
(delivered in #1011)
- 3/3/49 Voluntary filing of  
bankruptcy, receivership. Over
- **3/13/49 Detroit News: "Fraud"**
- **6/6/49 Colliers: "Hoax"**
- 6/10/49 Preston Tucker & seven  
others indicted
- 10/4/49 Criminal trial begins
- 10/4/49 Plant returned to WAA



# Media Response to Indictment? Major News

Greenville, PA



In Chicago

From leaks of "Secret Report" and more, already convicted in the public courts of opinion.

**"Tucker Corp.,  
a 1-Man Firm  
That Failed"**

Front Page

Chicago Tribune



# Criminal Trial: 8 Defendants

- Preston Tucker, Founder
- Floyd Cerf, Securities Syndicate
- Mitchell Dulian, Sales Manager
- Harold Karsten, Promoter
- Cliff Knoble, Marketing
- Robert Pierce, Treasurer
- Otis Radford, Comptroller
- Fred Rockelman, Executive VP

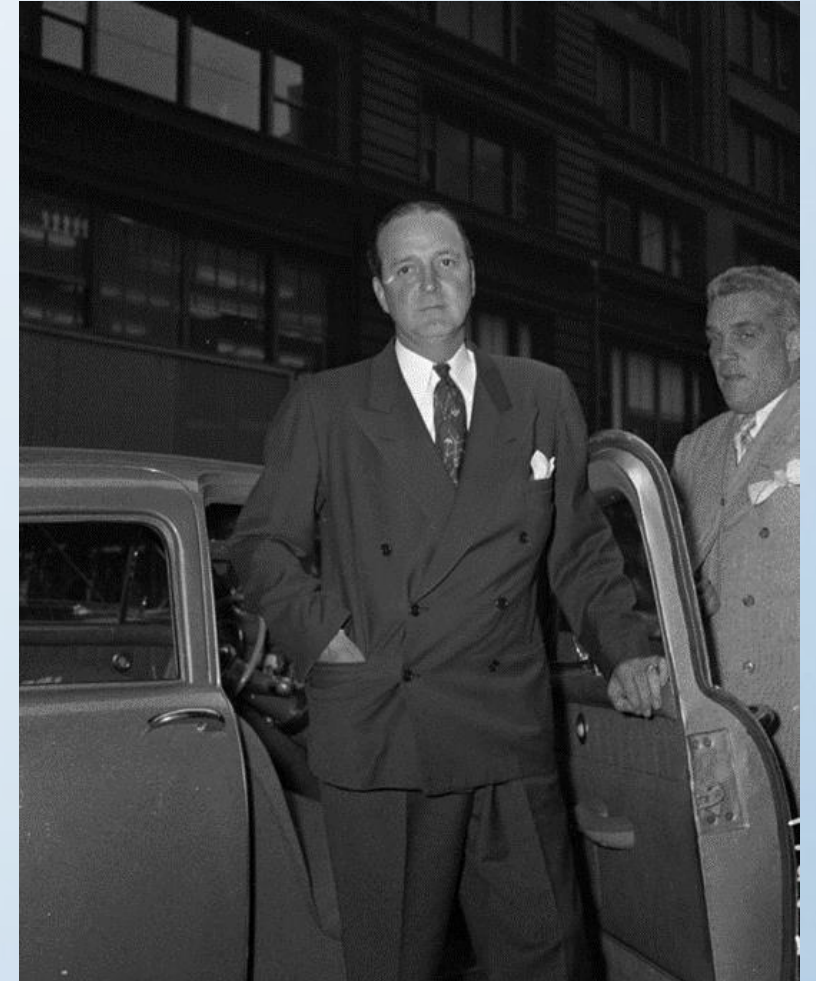


# Government's Charges

- Criminal Charges:
  - 25 counts of mail fraud
  - 5 counts of violations of SEC regulations
  - 1 count of conspiracy to defraud
- Possible penalties:
  - Up to 155 years imprisonment
  - Up to \$60,000 in fines

(For each of the eight defendants)

**6/10/49: Surrenders**





# Trial Strategy

Bill Kirby

1.

## MAIN THEORY OF DEFENSE

The defense to be successful must be that TUCKER CORPORATION was started in good faith and the defendants intended to mass produce cars, but its failure to do so was caused from a lack of adequate financing.

To be successful, therefore, the defense must disprove all specific charges contained in the Indictment, insofar as any charge of bad faith is concerned. Each charge must be met by evidence of good faith.

In addition, the defense must show that:

- (2) Failure was caused by lack of adequate financing, and
- (3) Good faith in intending to mass produce cars.

## MAIN POINTS TO BE ESTABLISHED

1. Preston Tucker was associated with Harry Miller in the designing of special cars.
2. Preston Tucker was a designer and inventor prior to 1946.
3. Prior to 1946, Preston Tucker had at least some of the car's components in being, either in design state, or actual working models.
4. Engineering principles of advertised components had been completely proved by fifteen years of rigid tests.
5. Prior to 1946, the advertised components of the car had not been used in any mass produced car.
6. Defendants intended to mass produce cars.

# Themes of Case: Began 10/4/49

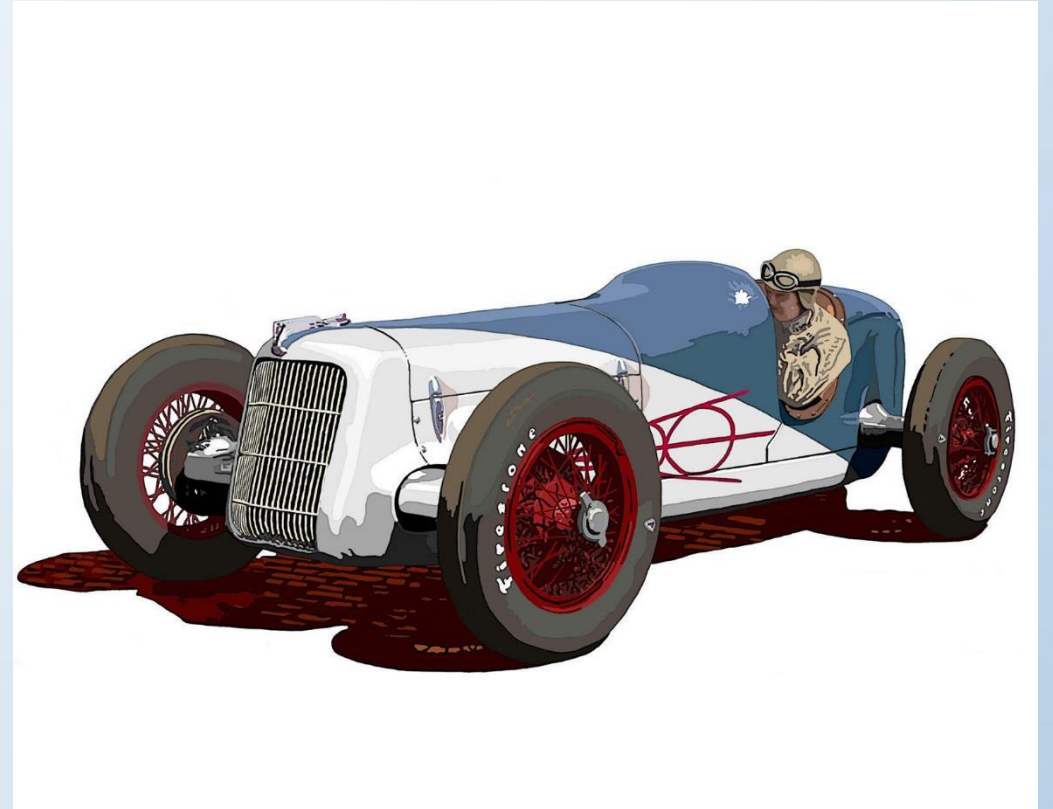
- Preston Tucker never intended to produce a car.
- Tucker spun truth, failed to heed advice of others. “Others” will testify.
- “Only 25 hand-made automobiles, none of which had the promised engineering features.”
- Tucker continually raked off money for personal gain.





# Points Emphasized by Prosecution

- Company was always seriously underfunded (funds never realistic to create & manufacture a totally new car.)
- Many irregular accounting, financial practices
- The linkage to racing and “15 years of rigid tests” was bogus
- Usage of Ypsilanti Machine & Tool was a major diversion of funds (and contrary to Prospectus promise of pulling back)



# Status of Case at Holiday Break

## Damaging to Defendants

- There was waste related to extravagances.
- Mistakes had been made.
- Various promised features had been changed or abandoned.
- There were features publicized for the Torpedo not on the Tucker '48.
- Many dealers testified being told:
  - Car already engineered
  - Car ready for production

## Damaging to Prosecutors

- Government case had dragged out far too long, way too repetitive.
- Bitter ex-management employees sounded whinny (the personal rants actually helped Tucker).
- The attempts to portray Preston Tucker as a shyster backfired.
- On cross-exam, defense attorneys effectively created many doubts.
- Still no “smoking gun” evidence.



# When the Trial Began Again....

## Prosecution Star Witnesses

Prosecution promised “knock-out punches” from star witnesses.

- Tucker Insider: Dan Ehlenz.
  - Minnesota Tucker dealer.
  - Member bankruptcy dealer group that demanded reorganization changes.
  - Elected to Tucker Corporation Board on 2/18/49.
- Ace SEC Accountant Investigator: Joseph Turnbull.

## Surprise Ending

- Defense rested. Did not present any witnesses.
- Preston Tucker did not testify

## Jury Instructions

- Good faith is a complete defense to fraud.
- Failure to produce is not proof of an intent to defraud.

# Ultimate Key Jury Question: Did Preston Tucker intend to build “his” car?





# Yes!!



\* This model has so far escaped being captured by Ken Northcraft for his amazing collection.



# Prosecution Pitfalls

- Prosecution got caught up in hype of it being a slam dunk case. Oversold the scope of fraud.
- Government case became very personal, why should dislike Preston Tucker.
- “Secret Report” was on-point for accountants, not a jury. Prosecution did not know the difference.
- Unnecessarily complicated case with 8 defendants. Dumb.
  - Extra lawyers.
  - Too difficult to keep straight who did what, when.
- Government case dragged out too long, too repetitive.
- Holiday break. Bad timing of case.
- Prosecutors based their case on Big 3's focus of “just make it functional” versus Tucker's focus on design & performance.
- Prosecution talked down to the jury, especially about what a car should be for car buyers.
- Defense attorneys were masterful in cross-exam.

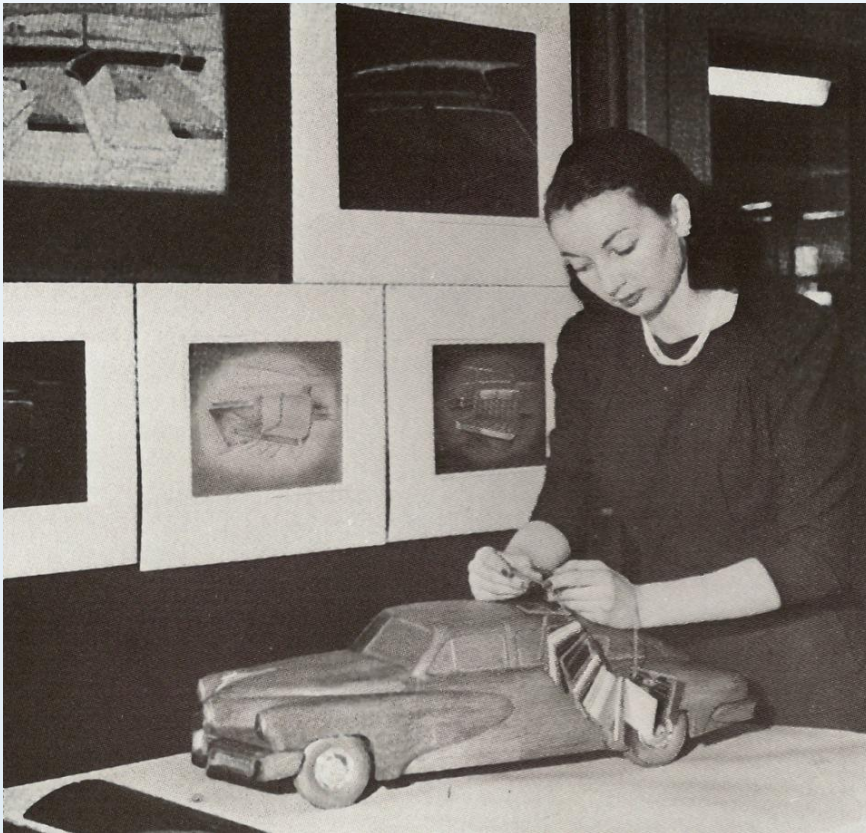
## Key

No “smoking gun”  
was ever identified.



# Trial Oddities

## Women Interior Designer Audrey Moore Hodges



## “Women Who Drive or Ride” “Serious about selling cars?”

### Step into a New Automotive Age in the Rear Engine Tucker

#### A FEW OF MANY NEW Engineering Features



**Rear Engine**—166 horsepower, flat opposed six-cylinder engine located below the level of passengers. Aluminum alloy construction. More power for the weight of the car than any volume production automotive engine ever built. Eliminates fumes, heat, noise in passenger compartment.



**Tucker Ignition**—A hot, lasting, ignition spark. All the gear in the cylinder is ignited every time. A satisfactory answer to engine “ping” and pover knocks. Real assurance of all-weather push-button speed in starting.



**Precision Balance**—The unique Tucker design distributes weight to give maximum safety, maximum power transmission, feather-light steering and driving control, and—for the first time—insure complete four-wheel traction in braking. Only a rear engine car can achieve this precision balance—for years the goal of all automotive engineers.



**Individual Wheel Suspension**—The new Tucker individual rubber-torsion wheel suspension cushions each wheel by its own resilient action arm, actually raising shock instead of simply absorbing it. Also eliminates all gyroscopic forces which frequently cause conventional cars to wobble with wind, and weave or pitch at touring speeds.



**Frame Lower Than Center Line of Wheels**—An exclusive feature made possible by locating engine in rear and eliminating conventional drive shaft. This, combined with Tucker suspension system, greatly reduces chances of skidding or overturning.

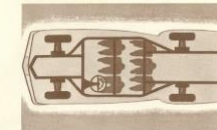
#### A FEW OF MANY NEW Safety Features



**Safety Windshield**—Laminated safety glass is mounted in sponge rubber interlayer to that a hard blow from within will split it in one piece. Thus, greatest collision hazard—lacerations or fractured skull from striking windshield—is entirely eliminated. Windows are armor plate glass which disintegrates without cutting edges or shivers.



**Safety Steel Bulkhead**—A steel safety bulkhead surrounds the spacious luggage compartment located under the hood, thus shielding the passenger compartment from head-on collisions far more effectively than the conventional front engine construction. A second steel safety bulkhead walls off the rear engine.



**Safety Frame Surrounding Passenger Compartment**—Vital protection against injury in case of collision. And protection for car, too, because frame is tapered front and rear like the prow of a ship. Thus a sliding blow—in 90% of all collisions—is deflected sideways with minimum damage.



**Cyclops Eyes**—In addition to regular fixed headlights, the Tucker has a new cyclops beam which turns with front wheels. Results: Your Cyclops beam is around the corner seconds to avoid accident.



**Crash Board Cowl and Safety Chamber**—Conventional instrument panel is replaced by attractive sponge rubber crash board cowl. Instruments in steering column. Under cowl is spacious safety chamber, protected by steel bulkhead, which driver and front seat occupants can drop into, in a split second, in case of impending collision.

#### A Word To Women Who Drive Or Ride

The Tucker is built with women's own particular needs in mind. When you drive, you frequently have children in the car. Tucker safety features give you the EXTRA protection that means peace of mind in traffic and on the highway. For they help you avoid accidents as well as give you and yours added security in case of unavoidable mishaps.

You'll glory in the effortless ease of driving the new Tucker. It has true fingertip steering control. Ordinary traction lifts and jans are either eliminated or unbelievably softened. There are no fumes or heat to bother you because the engine is in the rear.

And what luxury inside! Seats you literally sink into

and relax. A “shopper's shelf” behind the rear seat, designed specially for your parcels. “No-stop” doors that open up into the road for graceful entrances and exits . . . even when wearing your felly new hat.

Yes, when you see the new Tucker it will be a car of love for life. For the Tucker combines pulse-stirring beauty of line with the very things you've always wanted in a car.

NOTE: This folder highlights only a few of the new and exclusive features of the Tucker. There are many others now being refined, improved and adapted for mass production. Consequently the Tucker Corporation must reserve the right to make mechanical changes.



# Trial Oddities

**Harry Miller/Racing  
Funeral Expenses**



**Dan Ehlenz: Tucker Dealer/Board  
Owned/Drove #1025  
Over 10,000 miles on car/95 mph**





# Trial Oddities

Sound of car exhaust (#1015)



Mrs. Tucker's Oven



# Common “Detroit” Response to Verdict (Continued through the 1990s- Rejection of Movie)



**OUTCAST**





# Role of “Detroit”/Sen. Ferguson?



- Big 3- business was great. Tucker was a nuisance.
  - No evidence of a focused effort.
  - Charles Pearson downplayed role in book.
- Sen. Ferguson- Out to get Preston Tucker.
  - Role as Chair of Senate War Surplus Committee gave him role/cover for oversight.
    - Uncashed check.
    - Waste of national asset, etc.
  - Strong personal animus against Preston Tucker.
    - Tucker’s attack on his wife strengthen animus.
  - Stoked SEC hard, especially Harry McDonald.

# Do I own a Tucker car? Yes, Two\*

(\* Sort of- Ashtrays sold by Tucker Corporation in 1948)





# Have I Ever Driven a Tucker Car? No

Tucker #1044 in 2016. Sold for \$1,225,000 plus fees in 2017.





# Tucker Corporation Business & Legal Perspectives

## **Questions?**