

TARGETING GUNS

Profiting From Politics and Tragedy

Safety Lock Maker Reaps Market Gains

By BARBARA VOBEJDA
and DAVID B. OTTAWAY
Washington Post Staff Writers

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On April 27, the day President Clinton announced a new gun control initiative, Florida executive Franklin W. Brooks seized the moment to sell 150,000 shares of his company's suddenly more valuable stock.

With interest spurred by the Columbine High School massacre and unprecedented moves toward gun legislation in the Senate, the stock's value had nearly tripled in a week, allowing Brooks to realize a six-digit gain. The same day, Jeffrey Brooks, his son and company secretary, sold 20,000 shares and another officer sold 44,000.

Brooks's company is Saf T Lok Inc., a tiny South Florida firm that has discovered a magical nexus between tragedy, politics and business.

At a time when Americans are demanding safer guns, Brooks's company makes a simple combination lock that prevents a gun from firing—a product advertised as

one of the few devices on the market that can secure a fully loaded handgun.

In a moment of exquisite timing, a company that has been fraught with internal problems—that has had to overcome bad publicity and scramble for product endorsements—now seems on the verge of a potential bonanza. Sudden interest in gun safety has sent stock prices soaring, and it offers a possible gold mine for Brooks and other officers and directors, including a former senator and a former House member who joined the board two years ago.

With the House now set to consider a Senate-passed gun control measure requiring safety devices with all new handguns, Brooks and other Saf T Lok officials are blanketing Capitol Hill to try to give their product an edge in the marketplace.

Brooks boasts that he has placed handgun models equipped with the Saf T Lok device on the desks of 150 members of Congress and

Attorney General Janet Reno.

"Everybody knows us there," he says of Capitol Hill.

But it is a high-stakes gamble, records show. The company's financial position is precarious, its storeroom loaded with 100,000 unsold locks. Battling lawsuits filed by a former president and shareholders, Saf T Lok is under investigation by the Securities and Exchange Commission for possible violations of federal securities laws. Some gun safety experts question the product's reliability, and some prospective buyers have balked at its price.

Saf T Lok's turbulent recent history and the solutions it has pursued say much about Washington and the commercial promise it can offer. As Saf T Lok officials have discovered, political positioning can be as critical as business acumen in dealing with the federal government.

Former senator Dennis DeConcini (D-Ariz.) and former representative James V. Stanton (D-Ohio) sit on Saf T Lok's board and hold financial stakes in the company, and Brooks has acknowledged that the high-powered connections have opened doors in government. DeConcini said in an interview he has talked to some

"I too am entitled to reap the benefits when the time comes."

Franklin W. Brooks,
chairman, Saf T Lok Inc.

members of Congress about Saf T Lok, and Stanton said he is helping to make the case with former House colleagues that a gun control measure should include language congenial to Saf T Lok.

Stanton's son, Richard, lobbies for Saf T Lok and helped it secure a General Services Administration contract allowing it to sell discounted locks to federal and state employees through the agency's Web site.

The same players have tried to build bridges with the National Rifle Association, which has fought gun safety technology. DeConcini met with executives at the Maryland-based gun maker Beretta USA and has approached police officials across the country.

Still, huge challenges remain. No gun manufacturers have been willing to incorporate the device in their weapons, and only one big-city police department—Boston—has purchased locks for its force. Priced as high as \$90 (but sold in bulk to law enforcement agencies for about \$50 each), Saf T Lok competes against many cheaper products, from cables to key locks costing as little as \$10. Little testing has been done to help consumers choose the best locks.

If nothing else, the events of the past five weeks have sent Saf T Lok stock powering upward, from just over \$1 per share the day before the Littleton, Colo., shootings to nearly \$4 on May 20, the day of another school rampage in Georgia.

"It keeps us hopping," Brooks said. "Guns and kids come to the fore and all people know is Saf T Lok has to do with guns and kids."

Brooks, 64, a gun collector, inventor and ex-Marine, conceived of the lock a decade ago out of concern for his grandchildren's safety. He spent several years designing a combination lock consisting of three small levers, built into a revolver or at the base of a magazine clip.

His privately held West Palm Beach company merged with another in 1996 and kept its name, but it has continued to suffer from mercurial stock values and management unrest.

In 1996 the Wall Street Journal

reported that Saf T Lok's claim to have been endorsed by the U.S. Secret Service was untrue, causing stock prices to plummet from \$8 to \$5 a share. When the company backed off of this and other claims, one investment adviser said Saf T Lok officials engaged in "pump and dump" tactics—using public relations hype and unrealistic business promises to artificially drive up stock values, then selling shares to bring in cash. The company denied the charge, but stock prices suffered.

Brooks said in an interview that he has no apologies for selling off shares when prices rise and that he has twice sold stock to reinvest in the company. He said he invested \$500,000 in start-up money in 1996 and worked for 10 years—"most of the time for no pay at all."

"I too am entitled to reap the benefits when the time comes," he said. He said he still holds 200,000 shares and options to purchase a million more.

Also in 1996, Saf T Lok hired Lisa Broderick Fogel as president. She quit after eight days, later claiming in a lawsuit that the company was "technically bankrupt and deeply troubled." Brooks at first said he fired her, then backed off. In April the company settled with Fogel for \$500,000 and stock options.

Another setback came in 1996 when Sandia Laboratories, under a federal contract, ranked combination locks lowest among 14 "smart gun" technologies it studied.

In 1997 the company gave options for 50,000 shares each to Joseph and Richard Stanton, the former House member's sons, who serve as consultants; later that year, it gave options for 250,000 shares each to DeConcini, who left the Senate in 1994, and James Stanton, who retired in 1997.

The company also gave options for 50,000 shares to James Pasco, executive director of the 272,000-member Fraternal Order of Police, which gave Saf T Lok its exclusive endorsement. Pasco said he has been a part-time adviser to Saf T Lok management but played no role in the endorsement. Saf T Lok also paid the FOP \$25,000 to use the order's name and logo in promotions, according to FOP President Gilbert G. Gallegos.

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TUESDAY, JUNE 1, 1999

EU to Send Delegate To Confer In Belgrade

Contact Would Be First Since Airstrikes Began

By WILLIAM DROZDIAK
Washington Post Foreign Service

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BRUSSELS, May 31—European Union foreign ministers decided today to send their official envoy to Belgrade this week after meeting in urgent session to consider whether Belgrade may be willing to accept Western terms for a halt to the NATO bombing of Yugoslavia and a settlement of the Kosovo crisis.

Diplomats said the envoy, Finnish President Martti Ahtisaari, is scheduled to meet in Bonn Tuesday with Russia's special Balkans envoy Viktor Chernomyrdin and Deputy Secretary of State Strobe Talbott. Ahtisaari would then travel to Belgrade with Chernomyrdin Wednesday to meet with Yugoslav President Slobodan Milosevic and return to Germany Thursday to discuss his trip with European leaders, who will be holding a summit conference in Cologne.

Ahtisaari's mission would be the first official contact between Milosevic and the Western powers since the NATO bombing began on March 24.

The latest diplomatic initiative to end the 10-week-old Kosovo conflict came on a day when NATO bombs and missiles reportedly killed 27 Yugoslav civilians. The deadliest mishap is said to have occurred in the town of Surdulica, where two missiles reportedly hit a medical facility and a senior citizens' home, killing 27 people [Story on Page A12].

Yugoslavia's official news agency, Tanjug, reported that Milosevic, after meeting today with top advisers, is prepared to accept the principles for a diplomatic settlement endorsed by the Group of Seven industrial democracies and Russia. The eight powers have called for an end to all violence and government repression of ethnic Albanians in Kosovo; the withdrawal of Yugoslav troops and Serbian police units; the introduction of an international security presence; the safe return of all refugees to their homes and the establishment of an interim administration for Kosovo, a province of Serbia, Yugoslavia's dominant republic.

A declaration by the 15 European foreign ministers said Ahtisaari would attempt to get Belgrade "to translate its reported statements into a firm, unambiguous and verifiable commitment" to abide by the principles set forth by the G-7 and Russia.

But NATO's conditions for halting the bombing and resolving the crisis are more stringent than those of the eight powers, requiring all Yugoslav troops and Serbian police forces to evacuate Kosovo—at least temporarily—to allow the return of the more than 800,000 refugees that security forces drove from the province. It also requires that the international peacekeeping contingent to be deployed there have NATO troops at its core.

Allied military commanders say that serious plans for inserting such a peacekeeping force must be considered by the end of June if the refugees are to be escorted home before the first snow of October. According to that timetable, efforts

at a diplomatic solution must be completed—successful or not—by the time leaders of the G-7 and Russia meet in Cologne June 18-20. Senior alliance officials say that failure to find a diplomatic solution by then will force the conflict into a new phase and require winterized shelters for Kosovo refugees in neighboring nations.

While expressing hope that diplomacy could still succeed, NATO officials said allied warplanes pressed ahead with a bombing campaign that was in its 69th day today. Allied planes flew nearly 800 sorties and bombed a wide array of Yugoslav army targets in Kosovo—including 12 tanks, six armored personnel carriers, seven artillery batteries and two airfields.

Speaking to reporters in Moscow, Chernomyrdin reiterated that halting the NATO airstrikes is a major condition for any resolution of the Kosovo crisis. "The West must understand what might happen if this concrete decision is not made" at the Bonn talks, he said.

"The week should bring a certain decision . . . if everything proceeds according to plan. A framework for a positive solution for a Yugoslav settlement has been worked out," he said, adding that the "mechanisms and the principles for putting it into practice" are the major obstacles.

But U.S. and NATO officials expressed skepticism about Milosevic's intentions. They said the Yugoslav leader has indicated for the past two weeks that he is ready to accept the eight-power principles, but he has shown no willingness thus far to accept NATO's tougher demands.

Goran Matic, a Yugoslav cabinet minister without portfolio and close associate of Milosevic, said in an interview in Belgrade today that the eight-power declaration "is a chance for a political way out of this crisis. To go back to NATO's five points is to return the story to the very beginning." Matic said that there has been no decision about the size of the Yugoslav security force to be left in Kosovo and that Yugoslavia has agreed only to the use of NATO troops from Portugal and Greece in any Kosovo peacekeeping operation.

"We certainly welcome any positive development," said White House spokesman Mike Hammer. "But it's not clear, at this point, that all the terms have been accepted."

After completing his fourth trip to Belgrade last week, Chernomyrdin expressed satisfaction with the results of his latest mediation mission. Russian news reports said that during nine hours of discussions with Milosevic, Chernomyrdin put forward a detailed peace proposal that met with the Yugoslav leader's approval.

According to the Russian Tass news agency, the plan calls for a

U.N. force under the command of a neutral country to supervise the withdrawal of some Yugoslav forces from Kosovo and the return of ethnic Albanian refugees, but soldiers from NATO countries participating in the bombing campaign would be barred from entering Kosovo.

But senior U.S. officials said that any plan that prevents soldiers from the United States, Britain and France from enforcing the peace accord in every sector of Kosovo would fail to instill enough confidence in the refugees to overcome their fears of the Belgrade government and return to their homes. Serb-led security forces have driven more than half of Kosovo's prewar ethnic Albanian population from the province, sent hundreds of thousands more into hiding in Kosovo's mountains and killed hundreds and perhaps thousands of others.

In addition, Russia persists in defending Belgrade's right to exercise sovereignty over Kosovo by keeping up to 11,500 troops there. That level was agreed to by Milosevic last October during preconflict negotiations but was abrogated within months when more than 40,000 Yugoslav troops and Serbian police operating in the province launched an all-out campaign to expel the bulk of Kosovo's majority ethnic Albanian population.

The NATO allies insist that all government forces must be withdrawn from Kosovo to allow the entry of a peacekeeping force and the return of the refugees. At a later date, a token force of Yugoslav troops would be allowed to reenter the province to maintain border patrols and guard Serbian Orthodox monasteries and other religious sites.

Chernomyrdin, himself a former

Russian prime minister, told reporters today after meeting here with the U.N. secretary general's envoy, Slovak Foreign Minister Eduard Kukan: "We want to achieve the most important result—stop the military actions and give things over to [the United Nations] so that they could take over and go on working along the main direction."

The Tanjug report said that early approval of a U.N. Security Council resolution embracing the eight-power principles "should enable the transfer of the resolution of the crisis from the military to the political sphere." The statement was welcomed by Russia's new prime minister, Sergei Ste-pashin, who said "real chances are appearing for breaking the deadlock on Yugoslavia."

While eager to keep Russia involved in the peace process, U.S. and NATO officials have expressed doubts about whether Chernomyrdin is conveying the allied conditions to Milosevic fully. They have been urging Ahtisaari to become directly involved in the mediation effort because they believe he will explain to the Yugoslav leader that NATO will not compromise on its bottom-line demands.

"We have still not heard, from Milosevic or the Russians, that the Yugoslav authorities are willing to allow NATO soldiers under NATO command on their territory as part of an international security presence," said a senior NATO diplomat. "Until we do, there will not be a deal."

Correspondents David Hoffman in Moscow and Daniel Williams in Belgrade contributed to this report.

Baby Formula Fight Puts Fat Under Fire

Banned DHA Is Found in Mother's Milk

By MARC KAUFMAN
Washington Post Staff Writer

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It seems like an easy question to answer: Should the manufacturers of infant formula be allowed to add a new ingredient, found naturally in mother's milk, that many scientists believe may improve the vision of infants and could help children think better as they grow?

The ingredient, which is recommended for babies by the World Health Organization (WHO) and the Commission of the European Community, is available in infant formula throughout Europe and Asia.

But it is banned in the United States, and the Food and Drug Administration has before it an expert panel recommendation to continue that ban for up to five more years.

As the FDA weighs that recommendation, a pitched battle is raging between advocates and opponents of the ingredient, a long-chain fatty acid called docosahexaenoic acid (DHA) that all agree is essential to the development of an infant's brain.

Their highly polarized dispute—which includes charges of conflict of interest and of sloppy science—offers an unusual window into the forces that can shape an important scientific and public health debate. The stakes are high: whether the millions of formula-fed American infants are getting the best nutrition possible.

"There is a virtual consensus of specialists in this field that [DHA] should be added to infant formula, and that it will make formula more like mother's milk," said Norman Salem, a senior scientist with the National Institutes of Health.

Advocates charge that the panel convened to review infant formula ingredients for the FDA was unfairly weighted against their point of view, and that the financial concerns of a major formula maker appeared to be playing a role in

that process. Formula-fed infants, they say, will get less-than-optimal nutrition as a result.

But the FDA advisers say that neither the safety nor usefulness of adding synthetically produced DHA has been conclusively established, and they urge extreme caution until final results are in. Panel members also accuse the pro-supplementation advocates of mounting an inappropriate political campaign by doctors to sway its recommendation, an effort that dumped more than 1,000 letters supporting DHA supplementation on the panel.

And one infant formula maker long opposed to supplementing with DHA, Ross Products of Columbus, Ohio, claims a fast-growing body of scientific research supports its position. Ross officials also point out that supplementing with DHA would be expensive.

"The jury is pretty close to [a verdict] regarding full-term formula," said William McLean, vice president for pediatric nutrition research at Ross, maker of Similac. "The scientific evidence is highly on the side of not adding."

In the middle of the dispute is University of British Columbia researcher Sheila Innis, who was the main fatty acid expert selected for the formula panel. She has long urged great caution about adding DHA to formula, and she also has done considerable work with Ross. Critics charge the panel could not be fair and balanced with her as its primary fatty acid expert.

Innis said that she has been objective throughout and that the panel's recommendation last fall was based on the scientific research available. While acknowledging that she has worked with Ross, Innis said she has worked with other infant formula companies, too.

Proponents of DHA "may well see me as a barrier," Innis said, but she was "walking a difficult line and just trying not to make a mistake by moving too quickly."

After three years on the formula panel, Innis has her own critique of the American process of regulating infant formula. "The different sides have not really sat down to discuss the big picture here," she said. "It's been like having two political teams just going at each other."

The human brain, which many believe is the most complex organ in nature, is made up overwhelmingly of two substances: water and fats. Scientists estimate that between 50 percent and 60 percent of the brain's dry weight is fats, and

DHA is one of the most abundant of those fats.

Scientists began to seriously explore the role and importance of these fatty acids in the 1980s. Infants, they found, accumulate DHA in their brains and retinas most rapidly between the third trimester of pregnancy and 18 months after birth, and use the DHA to build the outer membrane of nerve cells during those crucial first months of life.

Because the infant's body cannot convert other fatty acids into DHA very effectively, many scientists believe infants need DHA delivered from outside sources—from mother's milk or formula. While scientists found that mother's milk does provide high quantities of DHA and other fatty acids, they found that infant formula delivered no pre-formed DHA.

In addition, by the early 1990s some researchers were reporting that babies fed formula with added DHA tended to do better on tests measuring vision and brain function than those fed formula with-

out added DHA. The WHO recommended supplementing with DHA in 1994, in a report that concluded DHA and a related fatty acid should be added to infant formula "in similar proportions to breast milk from well-nourished mothers." Many countries responded and infant and premature-infant formula supplemented with DHA from sources such as fish oils, egg yolks and single-cell algae is available in more than 60 countries.

Some of the DHA-supplemented formula is actually manufactured by American formula companies in the United States, but none of it can be sold here. That's because the FDA has turned down requests by American formula makers to add DHA, citing inconclusive evidence on its safety and usefulness.

FDA officials said their reluctance to approve DHA has been based exclusively on science. They point to potentially troublesome increases in the weight of the livers and spleens of rats fed very high doses of DHA. They also point to concerns about the physical

The Washington Post

TUESDAY, JUNE 1, 1999

More stock options went to Timothy J. McCarthy, police chief in Orland Park, Ill., a few months after his officers began using Saf T Loks off-duty. Brooks said that McCarthy, a former Secret Service agent wounded in the assassination attempt on President Ronald Reagan, returned the options after questions arose about the arrangement. McCarthy did not return phone calls.

Stock prices were about 40 cents a share in October 1997, when President Clinton announced in a Rose Garden ceremony that eight gun manufacturers had agreed to offer safety locks. That sent Saf T Lok shares soaring to \$3, and Brooks and other company officials sold more than 500,000 shares.

More problems arose in early 1998 after Saf T Lok began an aggressive promotional campaign. A New York investment service urged clients to sell Saf T Lok stock, saying it had driven up its price by offering its public relations, consulting and marketing advisers \$2 million in incentives if they successfully boosted the stock price by \$3 a share.

John L. Gardner, then the company's president, said the charge was untrue. But in May 1998 the SEC began an investigation of the company's activity dating back to 1996.

The same month, Saf T Lok announced an agreement with another company to create a laser-driven fingerprint locking mechanism for firearms that would be available by the end of 1998. Frenzied trading ensued, with the stock price rising 33 percent, to nearly \$5 a share. The agreement was canceled soon afterward.

Saf T Lok fired Gardner, who then claimed in a pending lawsuit that he had been wrongfully dismissed. Brooks said Gardner exceeded his authority in making deals for the company.

More management turmoil led to three shareholder suits, now merged into one pending federal case. The shareholders claim that Brooks and Gardner issued "false and misleading statements" to boost stock prices.

Undeterred and chronically optimistic, Brooks has not given up on his product or his company, which he said is on track with its finances and marketing plans.

Brooks personally works Capitol Hill, walking the corridors with several demonstration guns in hand. He said the sergeant-at-arms sends an escort to guide him through the metal detectors and into congressional office buildings, where he shows his locks to members and aides.

"Nobody has closed the door on us. Not even the NRA," he says.

Brooks's supporters are urging House members to write in language requiring certain types of gun safety devices. The Senate-passed bill has broad language without specific standards.

James Stanton, who served eight years in Congress, said he and DeConcini "don't have large

economic holdings in the company, but we believe in the issue." Stanton has exercised options for 30,000 of his 250,000 shares, purchasing them at \$2 a share. DeConcini said he has exercised

none of his options.

Brooks and his supporters swear by their product, pointing to tests by an Orlando engineering firm that found the lock worked flawlessly in 36,000 at-

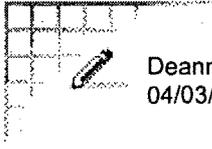
tempts.

But Beretta has questioned Saf T Lok's reliability, a complaint the gun maker has raised about virtually all gun safety technologies. Last year, Beretta won a California lawsuit charging that it was negligent by not incorporating safety devices into its handguns. The company's defense is that it has found no reliable device.

In a recent SEC filing, Brooks acknowledges that Saf T Lok faced "a number of significant problems," including the need to obtain funding.

But Saf T Lok's report to the SEC said the company is "optimistic" for the future, partly because "the tragedy at Columbine High School in Colorado has gelled the public attention to the need to make handguns safer and less available to juveniles."

Staff researchers Alice Crites and Margot Williams contributed to this report.



Deanne E. Benos
04/03/2000 01:56:25 PM

Guns -
Child safety
locks

Record Type: Record

To: Bruce N. Reed/OPD/EOP@EOP, Eric P. Liu/OPD/EOP@EOP, Leanne A. Shimabukuro/OPD/EOP@EOP
cc: Anna Richter/OPD/EOP@EOP
Subject: State Triggerlock Laws.

Massachusetts was not the first state to pass a triggerlock law (they are #2) -- they are the first to implement consumer product safety regulations for firearms sold in the state.

Only 5 states have triggerlock laws: Connecticut was the first state to pass a triggerlock law in 1991. Massachusetts came second in 1998 (and these new regulations create standards for those triggerlocks). Following were: California (1999), New Jersey (1999), Pennsylvania (1999). If Maryland passes their bill this week, they will become the 6th state with a triggerlock law, but the first to pass an law requiring "integrated" triggerlocks.



*Bruce -
I think you'll
be very
interested
in this new
product
Gail*

THE HOFFMAN GROUP

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Guns -
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MEDIA ADVISORY

FOR IMMEDIATE RELEASE:
January 6, 2000

FOR FURTHER INFORMATION:
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REVOLUTIONARY GUN SAFETY DEVICE TO BE UNVEILED AT SHOT SHOW 2000

SAF-T-TRIGGER™ OFFERS SIMPLICITY, CONVENIENCE AND SAFETY

Gun industry officials and the press will have the first chance to see the latest in firearm safety and security as a revolutionary new product, the Saf-T-Trigger™, will be unveiled at Shot Show 2000, the largest industry trade show, on Tuesday, January 18, in Las Vegas, Nevada.

Former top Smith & Wesson executive Bob Scott will demonstrate the Saf-T-Trigger™, a simple, effective and foolproof safety and security device, designed to prevent firearm accidents and unauthorized use. The Saf-T-Trigger™ is an easily operated device that disables the firearm without the use of awkward add-on pieces and operational shortcomings associated with current firearms locking devices. The Saf-T-Trigger™ is a very small, highly engineered device, permanently and unobtrusively installed in the trigger guard, which extends into position behind the trigger with the use of a unique high security key. When activated, the Saf-T-Trigger™ prevents the trigger from moving rearward. To reactivate the gun, the same key is simply and quickly used to retract the device into its housing. The Saf-T-Trigger™ requires no batteries, codes or numbers to remember. Unlike other devices, Saf-T-Trigger™ is much smaller and simpler to operate and can safely be used on both loaded and unloaded firearms.

WHO: Bob Scott, President, Saf-T-Hammer Corporation (OTC BB: SAFH)
Former Vice President for Business Development, Smith & Wesson

WHAT: Debut of Saf-T-Trigger™, the latest in gun safety technology

WHEN: Tuesday, January 18, 2000, 11:00 AM

WHERE: Sands Exposition & Convention Center
News Conference Room (Room 302)
201 East Sands Avenue
Las Vegas, Nevada

The product will also be exhibited at Booth 9829 at the Convention Center.



SAF-T-TRIGGER™ UNVEILED AT SHOT SHOW 2000
TINY DEVICE WILL REVOLUTIONIZE FIREARM SAFETY

Las Vegas - A revolutionary new gun safety product was unveiled today by a former top executive at Smith & Wesson, during the firearms industry's largest annual gathering. Saf-T-Trigger™, a tiny, retractable trigger-blocking device that fits into a firearm's trigger guard, made its debut at Shot Show 2000 -- the shooting sports and hunting industries' event of the year, which attracts thousands of firearms industry leaders and law enforcement professionals.

"Saf-T-Trigger™ meets the needs of consumers who want security but don't want to sacrifice accessibility, reliability or safety," said Bob Scott, President of Saf-T-Hammer Corporation (OTC BB: SAFH), which developed the firearm safety and security device. A unique security key extends the tiny device securely behind the trigger, preventing the trigger from being pulled and the gun from being fired. The same key reactivates the firearm in seconds, retracting the device into the trigger guard.

The unobtrusive device will fit nearly all the 230 million firearms currently in circulation, including handguns, rifles and shotguns. A mechanically adept gun owner or gunsmith can install Saf-T-Trigger™ in just a few minutes by drilling, tapping and threading a hole in the trigger guard, for about \$35 retail, including labor. Unlike other devices currently available, the Saf-T-Trigger™ can be safely used on both loaded and unloaded firearms.

Scott, who was tapped to head the Arizona-based Saf-T-Hammer Corporation in December, demonstrated the simplicity and effectiveness of Saf-T-Trigger™ at a news conference during the firearms show. "There is no shortage of safety devices or public and legislative pressure requiring them. But most of these devices are bulky, clunky, and many require codes or combinations," Scott explained, comparing the tiny Saf-T-Trigger™ to a conventional trigger lock. "When I saw this innovative product," Scott said, "I knew it had the potential to revolutionize firearm safety."

The former Smith & Wesson official discussed his decision to shift Saf-T-Hammer Corporation's immediate focus to the Saf-T-Trigger™, explaining that it is even more universal than the company's initial safety product, Saf-T-Hammer™. "In the course of Saf-T-Hammer's development, the company came up with what I like to call a 'better mousetrap' – the Saf-T-Trigger™. It's even simpler than its forerunner, and my experience tells me that Saf-T-Trigger™ is the product for the future."

Robert T. Delfay, President of the National Shooting Sports Foundation, which sponsors the annual Shot Show, also thinks Saf-T-Trigger™ may be revolutionary. "It's certainly a unique approach to the trigger lock," he said.

Calling Saf-T-Trigger™ "far superior to any separate or detachable firearm safety locking design," Dick Metcalf, Technical Editor of Shooting Times, said the "unobtrusive Saf-T-Trigger™ device is a model of simplicity and innovation." Other industry leaders are also heralding the pioneering characteristics of Saf-T-Trigger™. "My first reaction to Saf-T-Trigger™," said R. Coyle, Executive Director of TALO Distributors Inc., the nation's largest sporting goods wholesale buying group, "is that it offers the firearms makers a fast, reliable solution to the gun lock issue. I also foresee its immediate acceptance in the law enforcement community. Great new product!"

Scott plans to have Saf-T-Trigger™ on store shelves by the second quarter of this year, and intends to diversify and expand the company's portfolio of safety products for both consumer and law enforcement markets in the coming years.

Saf-T-Hammer (OTC BB: SAFH), based in Scottsdale, Arizona, is a public corporation listed on the OTC bulletin board. Statements about the company's future expectations, including future revenues and earnings, and all other statements in this release, other than historical facts, are "forward looking statements" within the meaning of section 27A of the Securities Act of 1933, section 21E of the Securities Act of 1934, and that term is defined in the Private Securities Reform Act of 1995. The Company intends that such "forward looking statements" be subject to the safe harbors created thereby.

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Start-up enterprise takes aim at gun safety

Robert L. Scott, a former Smith & Wesson executive, says the company offered him a unique opportunity.

By **MARLA A. GOLDBERG**

Staff writer

Robert L. Scott, an executive at Smith & Wesson Corp. in Springfield until a few weeks ago, has left the gun manufacturer to become president of a start-up trigger lock business called Saf-T-Hammer Corp.

"I am excited about the challenges ahead," Scott said. "I'm convinced that Saf-T-Hammer's products will prove more attractive to gun owners than other devices on the market."

The company employs about six people full-time in Scottsdale, Ariz., but is hiring 30 to 40 manufacturing representatives nationwide.

Scott worked at Smith & Wesson

for 10 years, most recently as vice president of business development, and was contacted by an executive search firm about Saf-T-Hammer. "I was just presented with a very unique opportunity," Scott said. "It was not an easy decision to leave." However, Scott claims he was intrigued by Saf-T-Hammer's products. "Saf-T-Hammer has developed a better mouse-trap," he said.

There is expected to be a growing market for gun safety products in coming years, as more manufacturers ship guns with trigger locks in place and legislation is adopted requiring safety devices on guns. In Pennsylvania, for example, the House of Representatives passed a bill late last week requiring that trigger locks be sold with all new guns.

"We're here to serve the demands of the marketplace, whether it's a consumer demand or a legislative demand," Scott said. In the U.S. alone, the company estimates there are more than 65 million handguns in private homes, while Saf-T-Hammer could also sell safety devices to law enforcement and gun manufacturers.

In 1998, 15 of the nation's major gun manufacturers announced at a White House gathering that they would voluntarily start providing child safety devices with their products. And when it comes to gun safety devices overall, "it's a growing industry," said Robert T. Delfay, president of the National Shooting Sports Foundation in Newtown, Conn. "Clearly, the policy of manufacturers shipping with trigger locks or locking devices is quite new," Delfay said, adding there are devices on the market "that were not around 10 years ago."

Growing awareness about the



“We're here to serve the demands of the marketplace, whether it's a

consumer demand or a legislative demand.”

Robert L. Scott

need for gun safety and new safety programs have been credited for the falling rate of fatal gun accidents. According to the National Safety Council's most recent report, there were 900 fatal gun accidents in 1998, the fewest since



The Saf-T-Hammer is a two-piece gun firing mechanism with a removable hammer head. The Saf-T-Hammer is for guns with external hammers only.

Safety: Start-up markets trigger locks

Continued from Page E1

record-keeping began in 1903.

Delfay said many people know Scott from the gun industry - Scott is a former longtime member of the National Shooting Sports Foundation's board of governors - and hope Scott will succeed in the new venture. However, Delfay denied any trend of gun company executives deserting gun manufacturing to go into gun safety products instead, saying that Scott is the only person he knows of who has done so.

However, demand for new guns is clearly declining. Statistics from the Federal Bureau of Alcohol, Tobacco and Firearms show that numbers of firearms and explosives manufactured in the U.S. fell substantially in recent years, from 5.2 million in 1993 to 3.7 million in 1997, a drop of almost 29 percent. Exports of U.S. firearms also declined, from 438,000 in 1993 to 296,000 in 1997, or more than 32 percent, the last year for which complete data was available. Imports have also fallen precipitously, from 3.04 million to 940,000, or 69 percent, over the four-year period.

Meanwhile, gun companies are changing how they do business and what they manufacture. Colt's Manufacturing Co. of West Hartford, Conn., said in October that it will make fewer guns and sell them primarily to law enforcement agencies and the military, a move which essentially means that Colt is quitting the retail business.

Smith & Wesson, the world's largest handgun manufacturer, said it would not follow in Colt's footsteps. However, the Springfield company has diversified in the last few years into police bicycles, law enforcement software and other products, while also doing contract manufacturing and licensing the Smith & Wesson brand name for a range of retail items.

Smith & Wesson officials were neutral about Scott's departure. "He had an opportunity to pursue something different, and we wish him well," said Kenneth Jorgensen, Smith & Wesson's director of public and media affairs. The Springfield company employs about 750.

Recently Jorgensen said the company is working on its own "smart" gun or "techno" gun, to restrict unauthorized individuals, including children, from firing a handgun.

Scott, who lives in Wilbraham, said he will develop an East Coast presence for Saf-T-Hammer, and eventually, company headquarters may be moved here. The company is contracting for the manufacture of the Saf-T-Trigger, which it hopes to market to manufacturers of guns and gun parts and to gun owners. For people who have guns already, the Saf-T-Trigger would be installed by a certified gunsmith at a cost Scott estimates at between \$30 to \$40.

Saf-T-Hammer, a public company, trades on the OTC Bulletin Board under the ticker symbol SAFH. The company, not yet required to file with the Securities and Exchange Commission, has what Scott described as "more than sufficient capital" from private investors. It is gearing up for production of its primary gun safety product, the Saf-T-Trigger, a small device which is permanently installed in the trigger housing of a gun. When the device is locked with a tiny key, it prevents the trigger from being pulled. The Saf-T-Trigger will work on the majority of firearms, Scott said, including shotguns.

The Saf-T-Trigger is smaller than most of the locking devices now on the market, and Delfay, of the National Shooting Sports Foundation, said it may be revolutionary. "It's certainly a unique approach to the trigger lock," he said.

The standard trigger lock comprises two heavy oval disks which completely cover the trigger - and don't always fit perfectly - along with a key or combination to lock them in place. Another common gun safety device, called a cable lock, works like a bicycle lock. A

cable is inserted through the barrel of a handgun, the magazine slot of a semi-automatic pistol or the frame opening of a revolver to render the gun inoperable.

The Saf-T-Trigger will be Saf-T-Hammer's primary product, Scott said, although it has also designed something called Saf-T-Hammer, a two-piece hammer - part of a gun's firing mechanism - with a removable hammer head. The Saf-T-Hammer is for guns with external hammers only. Both products are patent-pending, and the Saf-T-Trigger is expected to be available next year. These products, Scott said, "provide simple and user-friendly alternatives to the firearms safety products now available."

Mitchell Saltz, chief executive officer of Saf-T-Hammer, said he was glad to have Scott aboard. "We are enthusiastic about having Bob Scott lead Saf-T-Hammer and its safety products into the new millennium," he stated. "Bob brings and understanding of the market that will allow Saf-T-Hammer products to reach their full potential to prevent tragedies caused by the unauthorized or unintentional use of firearms."

Saf-T-Hammer was incorporated in May 1998. However, the company is already studying acquisition opportunities, Scott said, adding, "I intend to have more than simply two products."

Crime -
Child Safety Locks**The House Safety Device Proposal: A Sham Provision**

HR 2037 Sec. 301

- HR 2037's child safety device proposal is meaningless and a sham. A dealer would be in compliance simply by selling the handgun itself, without any additional safety locks or storage devices.
- The purpose of S. 254 and the supposed purpose of this provision is to provide secure gun storage or safety devices with every firearm sold to an unlicensed individual.
- But, the House bill differs from S. 254 in one very important respect: it amends the definition of "secure gun storage or safety device." The new language includes in the definition any "device that, if removed, will prevent the discharge of the firearm."
- Every handgun has parts that, when removed, will prevent the handgun from discharging, including the firing pin, trigger, hammer, and magazine.
- Therefore, the amendment to the definition effectively exempts all handguns from the safety device requirement, rendering it a nullity and a sham.
- The purpose of the safety lock proposal is to prevent the use of firearms by children and other unauthorized persons. Although removal of component parts is one method of rendering a handgun inoperable, it is unlikely that handgun owners will remove parts of guns they own in order to prevent unauthorized access.

JOSE -
Can/shall we do this?
- BR

DATE 2/24/99

TO Bruce Reed

TEL # _____

FAX # 456 2878

FROM Sen Kohl / Brian Lee



SENATOR HERB KOHL
SENATE JUDICIARY COMMITTEE
815 HART SENATE OFFICE BUILDING
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TOTAL PAGES (including cover) 3

REMARKS letter RE: child safety locks study.

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Safety
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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

MANUS COONEY, Chief Counsel and Staff Director
BRUCE A. COHEN, Minority Chief Counsel

February 24, 1999

The Honorable Robert Rubin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Rubin:

As a supporter of reasonable child safety measures to protect children from firearm injuries, I am writing to request your assistance in determining the number of firearms manufacturers that are currently providing child safety locks with their firearms.

As you are aware, in a Rose Garden announcement in October 1997, eight firearms manufacturers voluntarily agreed by the end of 1998 to provide child safety locks with all firearms they ship. By April 15, 1998, the American Sports Shooting Council, which helped put together the voluntary agreement, estimated that manufacturers representing 90 percent or more of the handgun market were either "already providing, or will soon be providing, security locking devices with their firearms." The Administration and manufacturers deserved our support in reaching this agreement, and those manufacturers who have begun responsibly providing safety locks with their firearms should be commended.

According to recent reports, however, many manufacturers may not be delivering on their promises. A preliminary study in October 1998 estimated that 80 percent of manufacturers that signed onto the agreement were not yet providing child safety locks. Earlier this month, the Los Angeles Times reported that since the October 1997 announcement, "only a handful of the 27 arms makers who eventually signed on are complying, according to industry insiders -- although others are scrambling to include the devices with their guns." And this week, according to the Milwaukee Journal Sentinel, industry officials indicated that 35 manufacturers have agreed to include safety locks with their firearms, but still admitted that many "haven't reached retail store shelves."

It has been almost a year and a half since the initial agreement -- and nearly two months after the established deadline. Now is the time to determine how far the manufacturers have come -- and how far we still have to go. Mere promises are not enough.

I continue to believe that if we cannot achieve 100 percent voluntary compliance, we should enact mandatory child safety lock legislation. To that end, I have introduced the Child Safety Lock Act of 1999 with Senators Chafee, Feinstein, Boxer and Durbin. This bipartisan legislation would require the sale of child safety locks with all handguns. It has the continued support of President Clinton, who spoke in favor of mandatory legislation in his State of the Union address. Child safety locks may not prevent all firearms accidents, but they will make a difference. If more locks are available, common sense says that more will be used and more accidents, more suicides, and even more crimes, will be prevented. Child safety locks, of course, are just one element of safe storage, but they are a valuable first step.

2

Last Congress, growing momentum for similar legislation helped pave the way for the voluntary agreement. Now, mandatory legislation remains important to ensure that child safety locks become the industry standard, especially if manufacturers are dragging their feet after representing they would act on their own initiative.

Accordingly, I respectfully request that within 30 days the Bureau of Alcohol, Tobacco, and Firearms, under your direction and supervision, conduct a check of firearms manufacturers, importers and dealers to determine the extent of manufacturers' voluntary efforts to provide child safety locks with firearms. You should review the practices of all manufacturers that have signed onto the voluntary agreement, as well as other major manufacturers. I am particularly interested in the following information:

1. Total percentage of manufacturers that are providing child safety locks with their firearms;
2. Total percentage of firearms that are sold with safety locks, including statistics specific to handguns;
3. Identification of which types of locks are being provided with each firearm;
4. A copy of any literature that is being provided with locks;
5. A description of the method by which manufacturers are including locks (*i.e.*, pre-packaged or provided separately by bulk to the vendor).

On February 10, 1999, I had the pleasure of meeting with John Magaw, Director of the Bureau of Alcohol, Tobacco, and Firearms, and requested his assistance in addressing this issue. He agreed to respond to my inquiry. This letter explains my request in more detail.

I thank you for your prompt attention to this matter. Any future replies to my office can be directed to Brian Lee of my Judiciary staff at (202) 224-3406.

Sincerely,



Herb Kohl
United States Senator

cc: John Magaw, Director, Bureau of Alcohol, Tobacco & Firearms
Bruce Reed, White House Domestic Policy Council