MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday, June 27, 1978, at 8:30 A.M.

at

Camelback Inn, Scottsdale, Arizona

DIRECTORS PRESENT

R. L. Cutler	Abex Corporation
W. Simon	Brassbestos Manufacturing Corp.
J. W. Greenen	Nuturn Corporation
R. R. Moalli, Vice President	Raybestos-Manhattan, Inc.
G. A. Carrigan	S. K. Wellman Corporation

DIRECTORS ABSENT

E. R. Zacharias	Carlisle Corporation
W. M. Sleeth	Lear-Siegler, Inc.

OFFICERS PRESENT

F. E. Messier, President	Bendix Corporation
W. F. Messier, Treasurer	Bendix Corporation
R. P. Gorman, Counsel	Gorman & Cole
E. W. Drislane, Secretary	Friction Materials Standards Institute

Mr. Messier, President, called the Meeting to order at 8:30 A.M.

MINUTES OF PREVIOUS MEETINGS

The Minutes of the Meetings held June 21, 22, 1977 had been distributed. No corrections were suggested. Upon motion duly made, seconded, and unanimously passed, it was;

RESOLVED: That the Minutes of the June 21-22, 1977 Meetings be accepted as written.

The Secretary advised that in these minutes his salary change effective July 1, 1977 was not noted. This change was covered by a letter from the President to the Secretary subsequent to the Board of Directors Meetings. The Directors indicated that future salary changes will be handled by letter by the President of the Institute.

PLAINTIFF'S EXHIBIT

[redacted]

PRESIDENT'S REPORT

Mr. Francis E. Nessier, President, read from his prepared report. Please refer to Exhibit 1.

He mentioned the regulatory atmosphere in which the industry works, and changes to strengthen the Institute's Asbestos Study Committee. The President noted the continued favorable financial results for the Institute, Membership changes, the Institute's continued liaison with the Federation of European Manufacturers of Friction Materials, our applications for trademark registration of FMS and FMSI, and the new schedule of the annual meeting with a reception for the Membership. In addition, Mr. Nessier mentioned the recently completed history of the FMSI and preliminary copies were distributed.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the President's report as written.

MEMBERSHIP COMMITTEE REPORT

Mr. Gordon A. Carrigan, Chairman of the Membership Committee submitted the report for the 1977-78 fiscal year. Please refer to Exhibit 2.

In this report, Mr. Carrigan noted that we lost one Active Member (Hayes-Albion) but gained one Regional Member (Don International). It was also noted that Implementos Metalicos Lara S.A. of Baraquisimeto, Venezuela joined as a Licensee. In addition to Membership transfers for Nuturn and Lear-Siegler, Mr. Carrigan advised that the Institute had been negotiating on a possible Regional Membership application by Borg & Beck de Mexico S.A., of Mexico.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the report of the Membership Committee as written.

At this time the Directors discussed various friction materials manufacturers who might possibly become members of the Institute. In particular, a question was asked about Borg & Beck de Mexico, and the Secretary indicated that he had correspondence with them about possible Regional Membership. Borg & Beck de Mexico is a subsidiary of Borg Warner Corporation in the United States. The Secretary indicated that he expected their application for Regional Membership.

A question was asked about National Friction Products in Logansport, Indiana. The Secretary indicated that he had written to National Friction in the past. National Friction is a subsidiary of the Kelsey-Hayes Corporation. A Director questioned whether National was using the FMS and FMSI numbers. The Secretary indicated that to his knowledge they were not marketing their products in the replacement market using those numbers.

The Secretary was asked about SAK Enterprises in Miami, Florida. The Secretary indicated that he had written to SAK based on literature showing their use of FMS and FMSI numbers. In response to correspondence

of the Board of Directors

ASBESTOS STUDY COMMITTEE

Mr. Harry Wagner of Carlisle Corporation is Chairman of the Asbestos Study Committee. Mr. Wagner submitted the report on the activities of the Committee over the past year. The report was read by the Secretary. Please refer to Exhibit 11.

In particular, the Chairman's report covered work that its Task Force had completed on the preparation of a work practices booklet for the Institute. Preparation of such a booklet had been authorized by the Board of Directors and the Chairman advised that the Committee appointed a Task Force to make recommendations concerning such a booklet. A draft copy of the text for the work practices booklet was distributed to the Directors. In a preliminary review of the booklet several questions were raised concerning the disclaimer that appeared at the beginning of the report. Directors were concerned as to whether this disclaimer was strong enough and questioned possible liability to the Institute should users rely on the booklet and subsequently be cited by OSHA or others. A Director expressed concern about the appendix where the Institute was listed as a source for information such as EPA requirements, laboratories for fiber counts, vacuum cleaners and respiratory protection. Was the Institute opening itself to providing additional services that it had not provided in the past? A Director indicated that there were certain statements in the book that he did not agree with, and asked if the Asbestos Study Committee agreed with the text? The Secretary advised that the Task Force had done this work and did not send it back to the Committee as it had taken so long to get it into its present form. The Secretary indicated that the Task Force had done considerable work on this booklet and that many objections had been raised and compromises made before it was delivered in the form shown. The Task Force by-passed the Committee to expedite the work and had sent copy to Johns-Manville to set up type. Type-set copies had not been returned from J-M prior to this Meeting.

The Directors indicated that the booklet should be referred back to the Asbestos Study Committee. The Committee should review this booklet and resubmit it to the Board of Directors if the Committee approves. The Board will take no action as regards this work practices booklet until it has received recommendations from the Asbestos Study Committee.

A question was asked concerning possible liability of the Institute for publishing such a work practices booklet. It was suggested that a user might refer to a certain page and use that as a guide for compliance with regulations after new regulations had superseded the instructions in the booklet. Perhaps a note is needed on every page to indicate that this booklet was prepared based on information available in 1978 and that it could be superseded in the future. The intent of the disclaimer on the first page was to preclude such assumptions by users of the booklet. Perhaps it would be necessary to put a brief disclaimer "As of 1978" on each page of the booklet.

A question was asked concerning possible liability for withholding such a publication. Counsel indicated that an association might be judged more harshly for withholding such a publication than in presenting information which might later be outdated by subsequent developments.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the Asbestos Study Committee review the Task Force's proposed work practices booklet and resubmit it to the Board of Directors.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the Asbestos Study Committee report as written with the foregoing qualification as regards the work practices booklet.

PUBLIC RELATIONS CONCERNING ASBESTOS FRICTION MATERIALS

Mr. Simon stated that he felt the Institute should do more to advise the public concerning health studies on asbestos. In particular, he referred to an article in the New York Times in May 1978 written by Staff writer Jane Brody. This article noted that the chances of developing asbestos induced lung cancer are practically nil if the worker does not smoke. He felt that the Institute should attempt to emphasize this item. The Directors indicated that in reports dating back several years it has been shown that lung cancer is not a problem with asbestos workers if they do not smoke. It is felt that this has been acknowledged in papers prepared by those at Mount Sinai and others. It was suggested that the Institute should not get involved in an area where medical expertise would be required.

The Secretary referred to an article that had been published in the Bergen Record headlined "Deadly Dust Particles from Asbestos Brakes." It appeared on the front page of the June 19, 1978 Record in Hackensack, New Jersey. The Directors examined the article and it was stated that there was no purpose in commenting to the newspaper concerning this article.

LIABILITY INSURANCE

In the discussions on possible liability to the Institute for either inadequate or inaccurate assertions in its publications, a question arose concerning liablity insurance. Does the Institute have insurance coverage for this type liability? The Secretary replied that the Institute's insurance covered Officer and Employee dishonesty (Blanket Position Bond) and owner-tenant-liability for the conventional type liability suit--physical injury property damage liability.

It did not have coverage for general or comprehensive liability which might arise if allegations were made as to the accuracy or adequacy of Institute publications or other Institute behavior. The Secretary was directed to contact its insurance agent to seek information on types of comprehensive liability insurance, its limits and its costs.

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There being no other business brought to the attention of the Board of Directors, upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To adjourn

Adjourned at 12:45 P.M.

E. W. Brislane
Secretary