FRICTION MATERIALS STANDARDS INSTITUTE, INC.
588 MONROE TURNPIKE, MONROE, CT 06468

MINUTES OF THE ANNUAL MEMBERSHIP MEETING

OF THE

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

Sunday, June 9, 2002

Kiawah Island Resort

Kiawah Island, South Carolina

PLAINTIFF'S EXHIBIT 27

ACTIVE MEMBERS PRESENT	REPRESENTATIVES
ABS Friction Inc.	Ralph Neil Treasurer
Capital Tool & Design	Michael Greenberg
Dana Brake & Chassis	Donald Delvy
Delphi Chassis	Rick Johnston
FDP of Virginia	Martin Chevalier
Federal Mogul	Walter Britland
Metafriction Inc.	Zota Catalin
New Jersey American	Joseph Sawa
Novatek Manufacturing	Steve Bruton
Nucap Industries	Michael Dorney
Superior Friction, Inc.	Patrick Healey, President
TEK-MOTIVE, Inc.	Tom Moalli
Wheeling Brake Block	Rob Burgess,Vice President

ACTIVE MEMBERS - PROXIES TENDERED	PROXY FROM
Carlisle Motion Control (To G.N.Laycock)	Tom Sheikh
CECO Friction (To G. N. Laycock)	D. Ted Shumate
E&D Manufacturing (To G. N. Laycock)	Leo Deutschmann
Haldex Manufacturing (To G. N. Laycock)	Brent Armentrout
Morse Automotive (To G. N. Laycock)	Peter Morse
New Jersey American (To Joseph Sawa)	Louis Fresta
Nucap Industries (To Michael Dorney)	Ray Arbesman
OE Quality Friction (To G. N. Laycock)	Norm Abbott
Performance Friction (To G. N. Laycock)	Robin Gedye
Tabco Auto Parts (To G. N. Laycock)	Mary Christie
Uni-Bond Brake (To G. N. Laycock)	Michael Grattan
Universal Brake (To G. N. Laycock)	Hugo Castrillon

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OTHERS PRESENT	
ABS Friction Inc.	Rick Jamieson
Frenosa	Doreen Tomao
Hawkhead/Fritec	Pat Smith
Link Testing Laboratories	Tim Duncan
TEK-MOTIVE, Inc.	Steve Thrush
Morehouse Harlow & Weldy Attorneys at Law	Thomas P. Weldy
Friction Materials Standards Institute	Gilbert N. Laycock, Secretary

Mr. Patrick Healey, President, called the meeting to order at 8:30 A.M. June 9, 2002. As the first order of business, Mr. Healey called for a roll call.

MINUTES OF PREVIOUS MEETING

The Secretary advised that minutes of the Membership Meeting of June 10, 2001 had been distributed. The President suggested that a reading of the minutes be dispensed with, as no corrections had been suggested.

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

RESOLVED: To accept the minutes of the Membership Meeting of June 10, 2001 as written.

PRESIDENT'S REPORT

Mr. Healey welcomed all to the Annual Meeting and reviewed some of the topics that would be discussed during the course of the meeting. He thanked those members who participate in the various committees of the Institute.

There was no discussion on this report.

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

RESOLVED: To accept the President's Report as presented.

REPORT ON BOARD OF DIRECTORS ACTIVITIES

The Secretary summarized the activities of the Board of Directors transacted during the past fiscal year with mail ballots, primarily consisting of membership additions and terminations. Also the activities of the Board during its meeting of June 8, 2001 were reviewed. The Board of Directors activities are summarized as follows:

Mail Ballots

January 2002 — The Board of Directors voted to approve the Application for Membership Application filed by Metafriction Inc. of Ville d'Anjou, Quebec, Canada. Because this was an Active Membership Application it was also reviewed and approved by the Active Membership.

Board of Director's Meeting - June 8, 2002

The Board of Directors voted to recommend approval of the Expense Budget which will be presented in the Budget Committee Report.

The Board of Directors voted to endorse the recommendations of the Fee Formula Committee which will be presented to the Membership today.

The Board of Directors voted to terminated the Membership of Bonded Brakes Inc. for non-payment of dues.

The Board of Directors voted for conditional termination of Millennium Brake and Duramax SA de CV. A conditional termination allows a period of time for payment of back fee billings. If not paid by a specific date then the membership is terminated.

The Board of Directors voted to have the Annual Meeting Committee search for a site for the 2004 Annual Meeting on the east coast.

There was no discussion on this report.

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

RESOLVED: To accept the report on the Board of Directors Activities as read.

MEMBERSHIP COMMITTEE

This report, presented by Mr. Pat Healey, Chairman of the Committee. Please refer to EXHIBIT 2 in the report booklet.

Mr. Healey's report noted that there were two membership additions and seven losses for a net change in membership of a loss of five members, bringing the total members down to 90. By category there were 38 Active, 37 Regional and 15 Licensee Members.

There was no discussion.

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

RESOLVED: To accept the Membership Committee Report as written.

TREASURER'S REPORT

This report was prepared and presented by Mr. Ralph Neil. Please refer to Exhibit 3 in your report booklet.

The report noted that the Institute operating income was projected to be $197,189 and expenses were projected to be $199,232 giving an operating loss of $2,043. Investment Income of $10,191 gave a projected net income of $8,148. The report reviewed the variations from budget. The exhibits that accompanied the report were 3.1 a Projected Balance Sheet, 3.2 Statement of Income & Expense and 3.3 a Seven Year Financial Summary.

There was no discussion on this report.

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

RESOLVED: To accept the Treasurer's Report as written.

INVESTMENT ADVISORY COMMITTEE REPORT

Mr. Ralph Neil, Chairman, presented the Investment Advisory Committee Report. Please refer to EXHIBIT 4 in the report booklet.

INVESTMENT ADVISORY COMMITTEE REPORT (continued)

The report noted that total investment balance for 2001 (actual) and 2002 (projected) were: $300,991 and $322,736 respectively. It noted that declining interest rates will have a long term effect on the income. Actual, projected and estimated Investment Income for fiscal years 2000-01, 2001-02 and 2002-03 were (respectively) $14,417, $10,191 and $14,966. It noted that buying U.S. Treasury Notes with high coupons and low yields show significant capital losses when those notes mature.

There was no discussion on this report.

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

RESOLVED: To accept the Investment Advisory Committee Report as written.

BUDGET COMMITTEE

Mr. Pat Healey, Chairman, presented the Budget Committee Report. Please refer to EXHIBIT 5 in the report booklet.

The report noted that an expense budget of $203,927 is recommended for the 2002-03 fiscal year. This is a decrease of 7.3% from the budget of 2001-02 of $220,045. The report reviewed minor changes in line item expenses. The major changes in individual line items were a decrease in Insurance Expense of $3,130 and a decrease in Pension Expense of $1,960.

There was no discussion on this report.

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

RESOLVED: To accept the Budget Committee Report as written.

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

RESOLVED: To approve the Expense Budget of $2030,927.

NOMINATING COMMITTEE REPORT

The Nominating Committee recommended the following nominations for two years terms on the Board of Directors:

Martin Chevalier
Don Delvy
Ralph Neil
Walter Britland

The President asked if there were any nominations from the floor.

There were no nominations from the floor.

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

RESOLVED: That nominations for the Board of Directors be closed.

NOMINATING COMMITTEE REPORT (continued)

The Secretary was directed to cast one ballot for the election of Martin Chevalier, Don Delvy, Ralph Neil and Walter Britland to serve two-year terms from July 1, 2002 to June 30, 2004. The Secretary advised that the ballot had been so cast. The Secretary advised that with the election of these four Directors, the Board had the required nine Members.

FEE FORMULA COMMITTEE REPORT

Mr. Walter Britland, Committee Chairman, presented this report. Please refer to Exhibit 6 in your report booklet.

Mr. Britland reviewed the sources of Institute income, the guidelines established by the Board of Directors for fee adjustment, projected income for fiscal year 2002-03 and the three year average of Income over Expense. The analysis of this average as compared to the guidelines for fee adjustment indicated that the fees should remain the same.

There was no discussion on this report.

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

RESOLVED: To accept the Fee Formula Committee Report as written.

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

RESOLVED: To recommend that the fee structure be unchanged for the upcoming fiscal year.

DATA BOOK AND TECHNICAL COMMITTEE REPORT

Mr. Don Delvy, Chairman, presented this report. Please refer to EXHIBIT 7 in the report booklet.

Mr. Delvy's report reviewed the Committee Roster and new assignments made during the past year. It noted that disc brake assignment number D1000 is in the not to distant future and that provisions should be made for an additional digit in the part number. Also discussed were the catalog sales which were down considerably from prior years. The report thanked the companies and individuals who contributed new part assignment and carryover information.

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

RESOLVED: To accept the Data Book and Technical Committee Report as written.

DATA BOOK AND TECHNICAL COMMITTEE REPORT (continued)

The Secretary gave a description of the work done to date on the CD ROM version of the Library Catalog. The Board of Directors and Membership had authorized work to start on this project at the 2001 Annual Meeting. A sub-committee was named to pursue this project headed by Mr. Rick Bochicchio of Anstro Manufacturing. Unfortunately, Mr. Bochicchio was unable to attend the meeting due to a prior commitment. The Secretary noted that the project is about 20% complete and a lot of work still remained, but, a sample demonstration of the progress to date on a lap top computer was set up and available to look at after the meeting. (Note: one person looked at the demonstration on a break and no one looked at it after the meeting.)

BRAKE PERFORMANCE STUDY COMMITTEE REPORTS

This report was prepared by Mr. Tim Duncan, Chairman. Please refer to Exhibit 8 in the report booklet.

Mr. Duncan reviewed the recent developments on the following topics:

- SAE J2522 Dyno procedure for harmonization of the AK Master
- SAE J2624 On-Vehicle Brake Lining Evaluation Test
- NCAP (New Car Assessment Program) Federal Government Brake Performance Protocol
- BMC (Brake Manufacturers Council) announces B.E.E.P. (Brake Effectiveness Evaluation Procedure) Model
- ISO Global Specification (Europe, Asia, North and South America)
- SAE Brake Colloquium - Phoenix, Arizona - October 6-9, 2002.

Heavy Duty

Everything was basically status quo except that NHTSA has been funded by the government to do a Stopping Distance Study which it is believed will push the heavy duty vehicles to disc brakes because of the shorter stopping distances required. It is estimated (based on the "red tape" involved) that a phase-in could take 8-10 years but, some manufacturers will quickly move to the better performance.

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

RESOLVED: To accept the Brake Performance Study Committee as written.

HEALTH AND ENVIRONMENTAL AFFAIRS COMMITTEE

This report was presented by Mr. Tom Moalli. Please refer to EXHIBIT 9 in the report booklet.

The report reviewed the EPA's (Environmental Protection Agency), NESHAP (National Emissions Standards of Hazardous Air Pollutants), MACT (Maximum Achievable Control Technology) for product and equipment that emit HAP (Hazardous Air Pollutants) relating to the

HEALTH AND ENVIRONMENTAL AFFAIRS COMMITTEE (continued)

manufacture of friction materials. Those using solvents to mix friction material were under the closest scrutiny. A final rule is expected in 2002. The report reviewed the copper and heavy metals found in water uproar which started several years ago and originally blamed on brake pad wear debris. Currently the largest source of copper impairment is listed as "unknown". Some good did come out of the work done as the Brake Manufacturers Council did develop a draft protocol for disc brake wear debris generation and characterization. The report noted that the CDC (Center for Disease Control) had found that one of the largest work related respiratory outbreaks was related to bacteria found in a metal working fluid, where workers were exposed to airborne particles of the fluid during normal machining operations.

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

RESOLVED: To accept the Health & Environmental Affairs Committee Report as written.

There was a question if anyone had heard about formaldehyde being release from chopped strand fiber glass, it was noted that the EPA was starting to study the formaldehyde in April.

INSTITUTE PENSION PLANS

This report was presented by Gil Laycock, Secretary. Please refer to EXHIBIT 10 in the report booklet.

Mr. Laycock noted that the Institute Pension Plan which was initiated in 1981 contributes at a rate of 15% of eligible employee wages. The contributions for 2001-02 were projected to be $17,593. The employees direct the investment of contributions. Deferred contributions are allowed with all employees participating in this option.

There was no discussion on this report.

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

RESOLVED: To accept the report on Institute Pension Plans as written.

ANNUAL MEETING COMMITTEE REPORT

This report was prepared by Mr. Rob Burgess, Chairman. Please refer to EXHIBIT 11 in the report booklet.

The report noted that the site of the 2003 Annual Meeting was the Longboat Key Club, Longboat Key, Florida, June 6-9, 2003. The Institute has had four meetings at Longboat from 1993 to 1999. This site was approved last year for 2003. The room rates range from $170 to $190 per night.

There was a question that could the committee consider La Quinta Resort as the next west coast option? Mr. Burgess noted the Board of Directors discussion and resolution that future meetings should be east coast venues.

ANNUAL MEETING COMMITTEE REPORT (continued)

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

RESOLVED: To accept the Annual Meeting Committee Report as written.

OTHER BUSINESS

The President asked Mr. Thomas Weldy, the Institute Counsel, to update the Membership on the lawsuit filed against the Institute and 31 other defendants by Ms. Beth Cutright who claims to have mesothelioma contracted from her father's work clothes as he was a mechanic. We have retained counsel in Pittsburgh, PA and they have filed a motion for summary judgment. However, the attorney for the plaintiff wants to tape a deposition from Gil Laycock, the Secretary of the Institute, later in June. This deposition will take place in the Institute office in Monroe, Connecticut. It is the contention of the plaintiff's attorney that the Institute conspired with the other defendants to hide the supposed dangers of asbestos. Mr. Weldy believes that the Institute should be granted the motion for summary judgment, but it will be up to the judge reviewing the motion and filings. If the motion is not granted and the Institute is not released from this case, it will involve some "serious legal expense" and beyond that the Institute will be named in future cases. Mr. Weldy noted that it is important that we are removed from this case. Mr. Weldy noted that so far the Institute has incurred only about $2,400 in expenses. A question was asked, if the Institute should re-incorporate under a new name. Mr. Weldy noted that at this point the Institute should wait and see what happens on this motion. There was a question, if you get removed from the complain an the Institute counter sue to recoup expenses? Mr. Weldy noted that in Connecticut that can be done, it is called vexatious suit and you have to prove that there was no basis for their suit and additionally it may be necessary to prove that you sued maliciously and it is difficult to prove.

The President noted that, referring to Exhibit 6.1 of the Fee Formula Report, there were corrections noted by the Board of Directors concerning category participation for some companies and asked all to check the accuracy of their companies listing. There may be additions or subtractions.

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

RESOLVED: To adjourn at 10:40 A.M.

G. N. Laycock
Secretary