



# KARNAK CHEMICAL CORPORATION

Lewis Asphalt Engineering Corporation

PLAINTIFF'S  
EXHIBIT

UC-1589

November 27, 1979

Mr. Gordon L. Dickson  
Union Carbide Corporation  
Metals Division  
P.O. Box 579  
Niagara Falls, NY 14302

Dear Mr. Dickson:

I now can give you a summary of the problems to date we have had because of your high water content asbestos, RG 244.

To review: We use this in a moisture cure coal-tar polyurethane product. This contains enough moisture reactor and moisture scavenger to completely remove all water from the base material before the water reactive polyurethane is added. As we found out after a slow but steady reaction had taken place in the field, the moisture content of the RG 244 had, around the start of this year, doubled as compared to the specified maximum permissible amount; 2% increased to 4%, or quadrupled as compared to the stated typical amount; 1% increased to 4%. Our tests averaged 3.6% water on the pallet of bags from which you took a sample for confirmation tests by your own laboratory. You informed me that your laboratory had found 4%. This amount of moisture was enough to swamp our removal procedures. The result was that eventually many of our customers found themselves with cans that were filled with solid black rubber instead of an easily applied liquid.

Fortunately, most of this product was used up before it solidified, but too much of it was found as a solid mass on the job. We had to do much on the job inspections and replacement. In addition, we had to stop the shipment, after inspection, of almost every gallon of this product that we had in the plant.

The quantities involved and associated costs are listed below. We expect Union Carbide to reimburse us for these unfortunate expenses.

|                                  |                    |
|----------------------------------|--------------------|
| Material - 2,315 gallons         | \$18,400.00        |
| Disposing bad material           | 500.00             |
| Freight                          | 2,174.07           |
| Labor, cleaning & hold up of job | 750.00             |
| Lab time                         | 2,000.00           |
|                                  | <u>\$23,824.07</u> |

There is no way in the world that we can estimate the value of reduced customer relations and/or decreased future business because of damage to our reputation.

It is worth noting at this time that Karnak has already paid Union Carbide for all material purchased and that we still have approximately 2,550 lbs. of material left in stock which we would like to return for full credit.

Your prompt attention and cooperation to this matter is appreciated.

Very truly yours,

KARNAK CHEMICAL CORP.

*Joseph P. Toto*  
Joseph P. Toto  
Controller

JPT/dr

cc: Al Wolk  
Bill Brehm