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PLAINTIFF'S EXHIBIT
SRS-25

NORTON & SON
A FAMILY-RUN SUCCES

By providing top-notch service to its deal manufacturing quality products, the third gener is keeping Norton & Son and Muralo a brand to with in the high-end paint marke

In this era of giant paint manufacturers, Norton & Son is a rare find. Located just outside of New York City in Bayonne, NJ, Norton & Son has remained a successful independent manufacturer when others its size have been acquired by larger corporations looking to expand their share in the market.

There is no elaborate corporate board running this mid-size paint business. Norton & Son, as its name implies, is a family-owned business—one that has been handed down from generation to generation...to generation. Today, a third generation of Nortons is at the reigns, ready to take the company into the new millennium.

In the Beginning

Norton & Son was started by Ed Norton in 1945 when he decided to spend his family's savings on a two-story building in Jersey City, NJ where he could manufacture paint. His son, Edward F. Norton, Jr., soon signed on. At the time, business was slow until opportunity knocked.

Left high and dry by a supplier, Sears Roebuck, one of the biggest retailers in the U.S., needed to find a paint producer to fill a void in its paint supply. Norton & Son operated around the clock to fulfill Sears' needs. According to Norton & Son, its early success can be traced directly to its relationship with the retailer. By the 1950s, Sears was Norton's biggest customer, and Norton & Son had moved into a new plant in Bayonne, NJ.

Bolstered by the Sears business, Norton & Son was able to acquire a number of firms between 1943 and 1983. Among its acquisitions were Prescott Paint, Degen Oil and Hotopp Paint Co., all of Jersey City, NJ; the Ultra Gloss Wax division of Witco Chemical, Paterson, NJ; Olympic Paint & Chemicals, Los Angeles, CA; and Synkoloid Company, Northbrook, IL.

Muralo and Elder & Jenks

In the 1950s and 1960s, Norton & Son would acquire two companies that would turn out to be among the most important brands it has today. In 1953, Norton & Son salvaged The Muralo Company from bankruptcy court. Before going belly up, Muralo had manufactured paint in Staten Island, NY since 1894.

When Muralo moved to Bayonne, there were 24 employees and just one dealer. Today Muralo paint is sold to 2,600 customers, making the Muralo brand one of the most famous on the Norton & Son roster. Muralo's customers are independent paint dealers—Norton & Son does not sell Muralo in large retail home centers, and has no plans to bring the line to the mass market.

While the 1960s was the age of Aquarius to many, at Norton & Son it was the age of brushes and rollers. The company expanded its business from paint and coatings to paint applicators by first acquiring Elder & Jenks. At the time, this well-known Philadelphia, PA-based brush company already had a long history—Elder & Jenks had been making high quality paint brushes since 1793.


A third generation of Nortons run the company today. James Norton (above) serves as president.

Later in 1960, Norton & Son acquired Elgin Brush in New York and Modern Accessories Roller Co., located in Keansburg, NJ. By 1962, Norton & Son moved the Elder & Jenks brush business to Bayonne, and one year later acquired Caldwell, NJ-based Jacobus Brush Company. Before the end of the decade, Norton & Son established roller manufacturing in Bayonne.

Investing in the brush business has been a clean sweep for the company. The Elder & Jenks division, which is run by vice president Mike Norton, produces 3.5 million professional paint brushes and one million paint rollers a year.

Family Leadership and Innovation

What has been the reason for Norton & Son's success as an independent? Flexibility, high quality products and a knowledge of the paint business that might be genetic, according to James Norton, president. "Paint is in my blood," he said while sitting in the company's modest Bayonne showroom with his father, Ed Norton Jr., who "officially" retired from the company in 1989.

Today, eight Norton family members play vital roles in the daily operation of the company. In addition to Ed Norton Jr., James Norton and Mike Norton, Ed Norton III serves as vice president of paint manufacturing, Eileen Norton is the office manager, Chuck Lee Jr. is CFO, Pete Seaborg is sales manager for mid-atlantic and southeast U.S. states, Ted Seaborg is manager of information services and Rich Norton serves as product planning and scheduling manager.

Technological innovation is another reason why Norton & Son has remained on top. "Our trademark is our technology, spearheaded by our two unique waterborne lines. Our greatest strength is in our R&D department," said Mr. Norton Jr.

The R&D department is headed up by Shashi Patel, Norton & Son's executive vice president. According to Norton & Son's upper management team, Mr. Patel is a "virtual" family member given his 20-plus year tenure and passion for the company. He is the inventor of

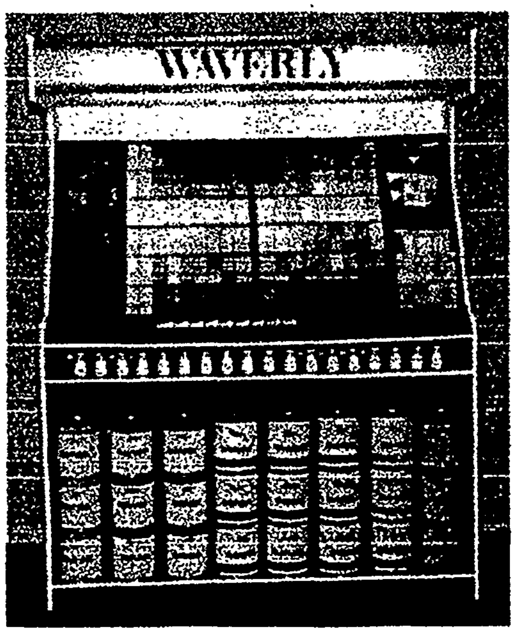
Ultra and "keeper of the Norton & Son highest quality positioning."

Top-notch R&D and manufacturing efforts have been at the core of Norton & Son's efforts in the paint industry. The company was the first independent paint manufacturer to make latex paint, the first to launch a latex house paint and the first to manufacture latex waterproof masonry paint.

Norton & Son prides itself on developing high-quality products. Technical director Chitra Jeukar, Ph.D., performs a washability test on Muralo paint and some competing brands.

Norton & Son was also the first company to launch a latex primer that did not require sanding, and was one of the first to market with a VOC-free product. The company itself manufactures the waterborne acrylic resin emulsion used in its water-based paints and it also polymerizes its own proprietary latex and waterborne resins.

As a mid-size manufacturer, Norton & Son has the flexibility it needs to deliver what retail customers need when they need it. Manufacturing operations include processing and filling of liquid products (latex and oil paints, oils, latex emulsions, process oils, alkyd resins and ink vehicles), paste products (wall repair products, adhesives, caulks and waterproofing paint) and powders (plaster and cement repair and wheat adhesives). The company's brush division assembles natural and synthetic bristle brushes, rollers and kits.



A new display gives Muralo's Waverly brand added presence in the consumer market. In the coming year, the company is planning to make "major advancements" into Muralo's position in the consumer market on a national level.

During the coming year, Muralo will be making "major advancements" in the contractor market with Ultra and associated products both in the northeast atlantic and midwestern U.S. states. According to Norton & Son, Ultra's sales are exceeding expectations, registering a 51% increase in June 1999 compared to June 1998 and tallying some 600% growth in the last 30 months.

In the consumer market, Norton & Son will focus on promoting its Waverly designer brand on a national level. According to company officials, the paint has become a favorite among decorators and designers nationwide.

The team behind these aggressive marketing and promotional efforts has an extensive background working with independent retailers and succeeding in competitive markets. The team is comprised of former Benjamin Moore executives recruited by Norton & Son's family leadership team, Don Everett, who serves as vice president of sales, and Lee Flemming, who is vice president of marketing.

Committed to Independence

Will Norton & Son remain independent? With annual sales estimated to be in area of $35-$40 million, the company's success in the high-end market would make it a likely candidate for acquisition. However, selling out is not an option, according to Mr. Norton Jr. "Muralo has been committed to the independent for over 100 years and intends to stay there due to our strong belief in the independent business person."

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