MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday, June 18, 1985

at

Dunfey-Hyannis Resort, Hyannis, Massachusetts

DIRECTORS PRESENT

Robert E. Nelson	Abex Corporation Friction Products Group
Francis E. Messier	Allied Automotive Bendix Aftermarket Brake Division
Larry Mintman	Certified Brakes Lear-Siegler Company
W. Max Sleeth	Virginia Friction Products, Inc.

OTHERS PRESENT

Stuart Comins, President	P.T. Brake Lining Company
F. William Barton, Vice President	Reddaway Manufacturing Company
Gordon Smith (Chairman - Data Book and Technical Committee)	Allied Automotive Bendix Aftermarket Brake Division
John Riopelle (Chairman - Health and Environmental Affairs Comm)	Allied Automotive Bendix Friction Materials Division
David F. McBride, Counsel	Harwood, Lloyd, Ryan, Coyle and McBride
Edward W. Drislane, Secretary	Friction Materials Standards Institute, Inc.

DIRECTORS ABSENT

Norman Morse	Guardian McGraw-Edison Company
Robert H. Nelson	Nuturn Corporation

Mr. Comins, President, called the meeting to order at 8:00 AM.

MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting held on October 2, 1984 had been distributed. It was suggested that the Secretary dispense with the reading of the minutes. Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the minutes of the meeting of the Board of Directors of October 25, 1984 be accepted as written.

PRESIDENT'S REPORT

Mr. Stuart Comins, President, presented his report. Refer to EXHIBIT 1. Mr. Comins noted work done as regards catalogs, comments to regulatory authorities, the dues structure and general trends. He noted the award made to Mr. Bill Simon for his many contributions to the industry. Mr. Comins' report continued on the liability insurance difficulties facing the industry, and the Institute plans for presentations on liability insurance at this Meeting. In particular, he noted that there would be a presentation by Frank B. Hall & Company at the Wednesday, June 19 session, and then a follow-up on captive insurance by Jack Carney of Friction Division Products, with the cooperation of Kamp Associates, Insurance Consultants at the concluding session on Thursday, June 20.

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

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

MEMBERSHIP COMMITTEE REPORT

Mr. Rob Nelson, Chairman of the Membership Committee, prepared this report. In his absence, the Secretary read the report. The Secretary advised that this report was prepared in early May 1985, but that there were several actions since preparation of the report that would impact the number of Members. Refer to Membership Committee Report, EXHIBIT 2.

The Chairman's report noted net additions to the Membership where Active Members increased from 21 to 22, Regional Members from 24 to 27 and Licensees from 17 to 19.

The Institute had recently received several applications for Membership. The following applications were to be considered by the Board of Directors:

Active Member: Tappa Enterprises of Tappahannock, Virginia
Regional Member: Tormos Frictiemateriaal, B.V., the Netherlands
Satisfied Brake Products of Canada
Licensee: EPE Incorporated of Irvine, California
Lucas Industries, Inc., of Troy, Michigan

After notification of the Membership, a Member commented to the Institute that EPE, Incorporated was not a manufacturer but was a Rebuilder. Directors and Officers who had seen the EPE operation and had dealings with EPE agreed that it was primarily a rebuilder. EPE indicated that it did produce parking brake levers and some rivets. There were questions on whether the rivet production was in "commercial quantities." The eligibility requirement for Licensee Membership was read:

> Any person, firm, or corporation located in any country, engaged in the manufacture of brake shoes, or materials for their attachment or assembly, in commercial quantities, or in the manufacture of tools and/or equipment used in the preparation and installation of friction materials, shall be eligible to become a Licensee.

Discussion turned to the difference between a manufacturer and a remanufacturer. It was apparently the Institute's intent that a Licensee be a manufacturer from basic materials - a primary manufacturer. It is the Board's interpretation that the eligibility requirement means a party "...engaged in the primary manufacture of brake shoes, or materials for their attachment or assembly, in commercial quantities...." and does not include a rebuilder with incidental manufacturing facilities, particularly where the rebuilding operation is the predominant activity of the applicant. The Board Members concurred that EPE, Incorporated was not a primary manufacturer.

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

RESOLVED: That the Licensee application filed by EPE, Incorporated not be accepted.

The Officers and Directors discussed the qualifications of the other applicants. It was agreed that Lucas Industries was a manufacturer of brake shoes (a facility for Ford Truck shoes in Cincinnatti). Satisfied Brake Products was a manufacturer of disc brake pads. Tormos Frictiematerlaal, B.V. was a manufacturer of disc brake pads, and Tappa Enterprises was now in commercial production of disc brake pads in Tappahannock, VA.

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

RESOLVED: That the Licensee application filed by Lucas Industries, Inc. be accepted.

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

RESOLVED: That the application filed by Tormos, Frictiemateriaal, B.V. for Regional Membership be accepted.

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

RESOLVED: That the application filed by Satisfied Brake Products, Inc. for Regional Membership be accepted.

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

RESOLVED: That the application filed by Tappa Enterprises, Inc., for Active Membership be accepted, and that the Board recommends its acceptance by the Membership.

It was noted that the application for Active Membership in the Institute must be approved by the Membership. Balloting on the Tappa Enterprises application will be submitted to the Membership on June 19, 1985. A quorum must be present for the vote, and an affirmative vote of two-thirds of those voting is necessary for approval. Mr. Barton advised that he would not be at the Membership meeting, and gave the Secretary his proxy to vote in favor of the Tappa Enterprises application.

The Secretary advised that Molded Industrial Friction Corporation was delinquent in its dues. No payment has been received for the 1984-85 fiscal year. The Secretary also advised that Molded Industrial had not produced blocks since the Fall of 1984. Molded Industrial had been contacted concerning the delinquency, and was apparently unable to make payment. Upon motion duly made, seconded and unanimously passed, it was

RESOLVED: To terminate the Active Membership of Molded Industrial Friction Corporation.

The Secretary then advised that two Active Members (Cougar Brake and Brassbestos) had recently filed for protection under Chapter 11 of the Bankruptcy Laws. Both were arrears in their dues payment for the period from January 1 to June 30, 1985 in the amount of $925.00. The Secretary advised that both Cougar and Brassbestos had called advising of the Chapter 11 filing. Both indicated that they would like to continue their Membership in the Institute. Our $925 receivables are unsecured obligations. The Directors concurred in taking no action at this time, but that services would be discontinued if billings after the Chapter 11 filings were not paid.

The Secretary reported further on delinquencies of three Mexican Regional Members: Itapsa, S.A. de C.V., Mex-Bestos, S.A., and Pasta Clutch, S.A. These Members are well over-due on their fees, with billings going back over a year. All are at $2,000 or more in arrears. The difficulty is in getting approval for the payment of funds from their Central Bank. All have been advised of the delinquency. Mr. Barton has been in contact with Pasta Clutch and is aware of their difficulties in sending funds out of Mexico. He also indicated that Mr. Horcasitas of Pasta Clutch had indicated his intentions to stay in the Institute and had written that he hoped to get funds out of Mexico shortly. Mr. Drislane indicated that the other two Members had fallen behind in the past, and then made payments. The Board directed that services be suspended to all three Members at this time and that all be so advised. If payments have not been made by December 1985, the Board will be balloted for termination.

The Secretary advised that Raymark Corporation had sold certain assets to Echlin Corporation. The Factory at Stratford, CT and the block manufacturing facilities in Canada were sold. As a result there are two separate corporations where one existed before: Raymark Corporation continuing in the clutch facing business and other off-highway products including woven and sintered metallic materials, and Brake Systems, Inc., (owned by Echlin) with automotive brake lining and brake block products. As a successor manufacturer, the Secretary asked that the Brake Systems, Inc. Membership be formally accepted by the Board. Upon motion duly made, seconded, and unanimously passed, it was:

RESOLVED: To accept Brake Systems, Inc., as an Active Member of the Institute.

TREASURER'S REPORT

Mr. Max Sleeth, Treasurer read the Treasurer's Report. Refer to EXHIBIT 3.

The Treasurer noted that the results projected to the June 30 year-end were based on data booked to April 30, with accruals and estimates to year end. With the projections, the excess of income over expenses was estimated at over $18,000. The Treasurer explained variances and noted (1) Fee income approximately $3,500 over projections; (2) a larger than expected net from Catalog Sales of near $8,000; (3)favorable expense variance of about $1,000; (4) investment income projecting about $1,000 over original estimates.

It was noted that the financial statements include a provision for Environmental Affairs of $7,300 which will bring the Reserve to $21,900. In examining the favorable variances, it was explained that all 1984 Data Books were sold, and we had a subsequent shortage where we resorted to purchasing catalogs back from Members. The Directors suggested that when ordering catalogs in the future that our allowed overrun/underrun be 5% overrun and 0 underrun. This should help to avoid future shortages.

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

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

INVESTMENT ADVISORY COMMITTEE REPORT

Mr. F. W. Barton, Chairman of the Investment Advisory Committee, read this report. Refer to EXHIBIT 4.

Mr. Barton noted that the Institute had completed the upgrading of its portfolio to all United States Treasury Notes, with the last Federal National Mortgage Association note maturing in the past year. Investment income was projected at a little over $29,000 for 1984-85, and it is expected that there will be a slightly lower figure for the next fiscal year. The current yield to maturity for the notes is approximately 11-1/2%. Notes currently are paying less than 10%.

The total Treasury Note portfolio at year end will be over $198,000 at cost (Market is higher). It is the Committee's plan to rollover notes as they mature into comparable Treasury Notes at the then-prevailing rates. Upon motion duly made, seconded andunanimously passed, it was:

RESOLVED: To accept the report of the Investment Advisory Committee as written.

BUDGET COMMITTEE REPORT

Mr. Max Sleeth served as Acting Chairman of the Budget Committee. Refer to EXHIBIT 5 for the report.

Mr. Sleeth presented a preliminary Expense Budget of $119,980. This essentially allowed for Salary Increases slightly over 5% with most expenses holding steady or increasing only slightly over those for this past year. The Budget figures were reviewed and no exceptions were noted. However, based on actions taken at other points in the Directors' Meeting, there were changes to be recognized in the final Budget.

Expense	Preliminary	Final Budget	Increase
Salaries	$68,500	$71,000	$2,500
Pension	10,275	10,650	375
Meeting-Travel	1,000	1,500	500

The budget figure for Bad Debts Provision would not be affected, as the provision would have to be made in the 1984-85 fiscal year.

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

RESOLVED: To accept the Budget Committee Report as written with the $3,375 increase noted above.

The Secretary advised the the Institute should consider a new correcting Selectric Typewriter or a Word Processor. The Directors stated that a Word Processor would be the best choice, based on capabilities beyond typing. It was recommended that an IBM Personal Computer (IBM-PC) with letter quality printer be purchased. This could serve functions such as maintaining the mailing list, sorting and rearranging vehicle-lining number-shoe number data, and the like. The necessary software could be expensed as purchased. A figure in the $5,000 range was suggested for the IBM-PC with a letter quality printer and the initial word processing software.

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

RESOLVED: To authorize the purchase of an IBM Personal Computer with letter quality printer.

INSTITUTE STAFFING

The Directors at this point reviewed Mr. Drislane's Salary and voted an increase for the 1985-86 fiscal year. The Secretary was asked his plans and advised that he planned to continue with the Institute until he was 65 years old, and would hope to make known his intentions as early as is reasonable before retirement. The Directors asked that he give at least a year's notice and preferably more when his plans firmed. They noted that this was to permit an orderly transition should he retire. The Directors asked if Mr. Drislane would be more comfortable with a contract, and the Secretary indicated that was not necessary as his relationship with the Board and the Institute had been satisfactory.

Mr. Mintman was asked to serve as Chairman of a Contingency Planning Committee to prepare plans should Mr. Drislane retire or otherwise be unable to continue as Secretary. Mr. Mintman was asked to determine what would have to be done immediately after such action, and then to plan on what would have to be done as regards selecting a successor. Mr. Mintman was asked to outline responsibilities, develop a job description for the work, and develop a plan for a smooth transition for a new Executive Director.

FEE FORMULA COMMITTEE REPORT

Mr. Messier, Chairman of the Fee Formula Committee, presented his report. Refer to EXHIBIT 6.

Mr. Messier reported on the total declarations by Active Members and those Regional Members being charged the same fee schedule as Active Members. This, coupled with the regular Regional Member and Licensee counts, projected fee income of $109,400 for 1985-86, assuming no change in formula from that used in 1984-85. The report summarized preliminary expense budget level and projected investment income and developed an excess of income over expenses of over $5,000 for the next fiscal year. Any losses in fee income from termination of Members would be compensated for by the new applicants accepted earlier in the Meeting.

The Directors discussed the formula and a suggestion was made that a new category be established for disc brake linings. Currently the categories are brake linings (drum and disc), brake blocks, clutch facings and new unlined brake shoes (drum or disc). The Committee was asked to review the formula and determine if changes are appropriate.

Mr. Messier was asked to continue on as Chairman of the Fee Formula Committee and Mr. Larry Mintman and Mr. Bob Nelson were asked to serve on the Committee to make a recommendation on the fee formula. Any change in the formula could not be effective until a fiscal year after 1985-86.

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 maintain the same Fee Formula for the 1985-86 Fiscal Year as was in effect for the 1984-85 year.

The Fee Formula for 1985-86 will be:	Basic	Per Category
Active Members and Regionals with Active Member rights	$1,050	$700
Regional Members - Individual	1,600	
Regional Members - Association	2,600	
Licensees	600	

PUBLIC RELATIONS COMMITTEE REPORT

Mr. Rob Nelson served as Co-Chairman of the Public Relations Committee with Mr. Bill Simon. In Mr. Nelson's absence, the Secretary read the report. Refer to EXHIBIT 11.

The report noted the Institute award to Mr. Simon as well as the press release announcing election of Institute Officers at the June 1984 Meeting. Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the report of the Public Relations Committee as written.

DATA BOOK AND TECHNICAL COMMITTEE REPORT

Mr. Gordon Smith, Chairman of the Data Book and Technical Committee, presented this report. Refer to EXHIBIT 8.

Mr. Smith's report noted certain projects completed by the Institute and decisions and changes approved and recommended at its meeting in March 1985. Institute work included publication of a "Clutch Facings" catalog listing all FMSI facings in numeric order as well as in size progression for identification. In addition the "1985 Supplement to the 1984 Automotive Data Book" was published on a timely basis and the Institute prepared and distributed a cross reference listing of lined shoe set numbers versus FMSI numbers for popular domestic and imported cars.

The Committee resolved a question on the assignment of FMSI 4311J for an Eaton 16-1/2 x 7 block where the inner radius had changed but the linear dimensions between holes had held steady. A note was to be put in the 1986 Data Book. This subject was to be discussed further with Carlisle Engineers to resolve the need for the note.

The Committee noted its disagreement with Board instructions for a new series of numbers (outside the 700/7000 Series) for heavy duty disc brake linings. Mr. Comins disagreed with the Committee action and noted that he was not advised of this decision. The Secretary advised that the decision was in the minutes of the Data Book and Technical Committee meeting but that he had failed to send Mr. Comins a copy of those minutes. At this point, a question was asked as to whether the heavy duty disc brake pads should be broken out separately in the historical sales reporting classifications. Comments on this subject appear under the Historical Sales Report section of these minutes. In addition, comments were made concerning a separate fee formula category for disc brake pads, which discussion is reported in the section under Fee Formula Committee report in these minutes. The Secretary stated he would send Mr. Comins a copy of the Committee minutes.

In discussion, Mr. Smith noted the reasons why the Committee recommended continuing with the 7000 Series for all disc brake pads. Mr. Comins noted that a compromise might be reached by blocking a section of the 7000 Series such as the 7700 numbers for heavy duty disc pads. A correction was noted for Mr. Smith's report where certain 4000 series numbers were described as

3/8" and 1/4" (Should be 3/8" and 1/2").

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

RESOLVED: To accept the report of the Data Book and Technical Committee as read, with the exception on treatment of the heavy duty disc pad number assignments.

Upon further discussion, the question on assignment of numbers other than the regular 7000 Series Numbers for heavy duty disc pads was referred back to the Committee. The Board asked that the Committee resolve this question with a blocked series of numbers which would specifically indicate heavy duty discs. Also, the Committee was asked to have this decision complete before copy was sent to the printer for the 1986 Data Book.

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

RESOLVED: That the Data Book and Technical Committee recommend a blocked series of FMSI Numbers for heavy duty disc pads with guidelines for making the assignments.

BRAKE PERFORMANCE STUDY COMMITTEE

Mr. Wayne Matthes is Chairman of the Brake Performance Study Committee. No report was received from the Chairman.

The Secretary noted that he had referred questions from the Truck/Trailer Brake Research Group and from individuals supporting its viewpoints to the Committee. Essentially the TTBRG is asking for a better procedure than the V-3 Regulation for selecting brake linings for its combinations, and for a permanent system of identification which would permit identification after wear and other degradation of the linings/blocks on the vehicles.

Mr. Bob Nelson and Mr. Matthes had met in June of 1984 with the TTBRG and concurred that the V-3 (or J661) procedure was inadequate for rating the compatibility of brake linings, and that Mr. Arne Anderson of Ford Motor was working with an ad hoc Committee at SAE to develop a test procedure which might more reliably be used in selecting linings. The Secretary agreed that the SAE Committee probably held the key to improving the procedure, but that the Institute either through the Brake Performance Study Committee or directly through its Members might do something on the permanent identification question. Perhaps the direction might be in preparing a questionnaire for the Members. The bar codes used in selling consumer products might serve as a tool for identification.

Impression stamping of identification codes might be achievable at reasonable cost. There were questions on control of an identification system including identifying some of the material friction properties. No resolution was made of the TTBRG question and the Secretary indicated he would refer it again to the Committee.

HEALTH AND ENVIRONMENTAL AFFAIRS COMMITTEE REPORT

Mr. John Riopelle, Chairman of the Health and Environmental Affairs Committee, presented his Committee report. Refer to EXHIBIT 9.

Mr. Riopelle noted the activity last Fall with the Natural Resources Defense Council (NRDC) petition for the banning of the use of asbestos in automotive brakes, and the Institute comments to the EPA. He also noted that it appears there will be separate OSHA asbestos standards for manufacturing industries and the construction industry. He also noted that asbestos substitute materials were now generating data and he specifically referred to input on Dupont's Kevlar and on refractory (ceramic) fibers developed by Sohio Carborundum. Copies of these letters were given to the Secretary who will distribute copies to the attendees after the Meeting.

Mr. Riopelle commented on the "right to know" laws that are now in effect in several states. It was noted that the Federal Government may also adopt a "right to know" law which among other things will require the Material Safety Data Sheets (MSDS). In essence, the employees must be told of any possible hazards from exposure to materials used in the workplace.

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

RESOLVED: To accept the report of the Health and Environmental Affairs Committee as written.

ANNUAL MEETING COMMITTEE REPORT

Mr. Ed Eggert serves as Chairman of the Annual Meeting Committee. Mr. Barton read Mr. Eggert's report. Refer to EXHIBIT 13. The report noted the facilities at various resorts and recommended three:

The Cloisters, Sea Island, Georgia
Sawgrass, Ponte Vedra (Near Jacksonville), Florida
Sandpiper Bay, Port St. Lucie, Florida

It was noted that the Institute had been to Sawgrass in 1982 and 1983. After discussion on the pros and cons of Florida, and the weather on Cape Cod, the Directors selected Sandpiper Bay as the location for the 1986 Meeting. The Secretary asked for a back-up if Sandpiper Bay was unavailable. The Directors preferred the Cloisters as the alternate site.

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

RESOLVED: To accept the report of the Annual Meeting Committee as written.

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

RESOLVED: To schedule the Institute's Annual Membership Meeting for 1986 at Sandpiper Bay, Port St. Lucie, Florida, with the Cloisters, Sea Island, Georgia as the alternate site.

Mr. Barton noted that his company had a most successful meeting at Sandpiper Bay earlier in 1985, and suggested that the Secretary contact Mr. Dick Oller at Sandpiper Bay to make the arrangements. Subsequent to the Meeting, the Secretary contacted Sandpiper Bay and committed the Institute to Sandpiper Bay for June 16-19, 1986.

HISTORICAL SALES REPORTING

Mr. Drislane read the report on the Historical Sales Program. Refer to EXHIBIT 12.

The Sales Statistics program continued with nearly full participation by United States manufacturers of automotive friction materials. There were a few reporting voids but no major complaints. One criticism raised was that the Institute did not show on its forms how a participant would report clutch facings where clutch buttons were involved. This question arose years ago, and it was decided to consider 4 buttons as one facing. However, the Institute had stopped explaining this some years back and that explanation will be added to the explanation of the program when information is solicited from Members in the future. During the earlier discussion on heavy duty disc brake pads, a question was asked as to whether the Institute should have a separate statistical class for heavy duty disc pads. The current classes for historical sales reporting are drum brake linings, brake blocks, disc brake linings and clutch facings. The question was whether disc brake linings should be broken down into automotive disc brake linings and heavy duty disc brake linings. It was suggested that those studying the Fee Formula might make recommendations in this area. The fee formula categories and the classes for historical sales have never been identical and there is no reason that they should be. However, those studying the Fee Formula have been asked for recommendations on the historical sales reporting classes.

INSTITUTE PENSION PLANS

The Secretary reported on the Institute Pension Plans. See EXHIBIT 10. He noted that the Institute's Pension Plan is a Simplified Employee Pension Plan (SEP) which formula calls for 15% of eligible employee salaries being contributed to the Employee's IRA. It was noted that approximately $9,755 would be contributed to the Employee's Plans in 1984-85.

Figures on the pension payments to Miss Duschek were shown. Essentially, this fund, which started with $55,000 in 1980, had only invaded capital for $2,000 through December 31, 1984. The Trust pays Miss Duschek $550 a month by Direct Deposit to her bank account.

The Secretary noted that he and Mr. Bill Simon were Trustees of the Trust for Miss Duschek's benefit. Based on Mr. Simon's retirement, the Secretary had been inquiring about a successor Trustee to take Mr. Simon's place. As Mr. Barton is in New Jersey on many occasions during the year, Mr. Drislane had asked if he would serve as Trustee if the Board selected him.

Mr. Barton indicated a willingness to serve as Trustee. Upon motion duly made, seconded and unanimously passed, it was:

> RESOLVED: That Mr. F. William Barton succeed Mr. William Simon as co-Trustee for the Trust for benefit of Harriet G. Duschek.

The Secretary and Legal Counsel conferred on the contract establishing the Trust. Paragraph 3 of the Trust Agreement states: "FMSI names Edward W. Drislane and William Simon to be Trustees of the Trust. In the event that either of them is unable or unwilling to serve......FMSI shall promptly appoint another person to fill the vacant office." The Institute will accordingly fill the vacancy with Mr. Barton and the Office will take the necessary steps so that Mr. Barton can sign checks for the Trust. Upon motion duly made, seconded and unanimously passed, it was:

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

NOMINATING COMMITTEE

A report of the Nominating Committee was not called for at the meeting of the Board of Directors. The Chairman, Mr. Max Sleeth discussed plans for the nominations to be presented to the Membership at the meeting on June 19, 1985. The Committee recommended that Mr. Art Moore of Carlisle be nominated to fill the vacancy created by the resignation of Mr. Don Testa from the Board. The other two nominees for terms commencing on July 1, 1985 would be carryover Directors: Mr. Messier and Mr. Mintman. No action was called for at this meeting.

AMENDMENT OF CONSTITUTION

Under the "Other Business" section of the agenda, the Secretary noted that he felt deletion of the requirement for an Initiation Fee would be in the best interest of the Institute. The Initiation Fee is covered in Constitution ARTICLE IX, FEES AND ASSESSMENTS, Section 1, Initiation Fee. It reads as follows:

> The Initiation fee payable upon admission to the Institute shall be $1,000.00 except that any Member elected to Membership as a Charter Member by the incorporators at their first meeting shall not be required to pay any Initiation fee. No Initiation fee shall be charged to or be payable by any Regional Member or by any Licensee.

This last sentence penalizes the Active Member (the United States Member) even though the non-United States Member (the Regional Member) may have essentially the same rights as the Active Member. Further, this fee, when written into the original Constitution, was an inducement for United States manufacturers in 1948-49 to join the Institute as Charter Members. The need for this inducement has long since been unnecessary. The Secretary further stated that in seeking the Initiation fee from new applicants, the application process can be held up by six or even nine months where the Institute may lose more in regular Membership Fee money than would be realized from the Initiation fee. The Secretary advised that any such amendment to the Constitution would have to be ratified by two thirds of the Members of the Institute. Further, such amendment must be made by mail ballot this time, as the Constitution requires that a notice of proposed amendment must be mailed to the Membership with not less than two weeks notice.

The Directors stated that this question would be referred to the full Membership at its Meeting on June 19, 1985.

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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 12:00 Noon

E. W. Drislane
Secretary