

Borg-Warner Corporation

300 South Michigan Avenue
Chicago, Illinois 60604
Telephone: 312/322-8530

By: J. Parsons
Senior Vice President, General Counsel
and Secretary

PLAINTIFF'S EXHIBIT

BW-49

July 14, 1981

The Echlin Manufacturing Company
175 North Branford Road
Branford, Connecticut

Gentlemen:

As Senior Vice President and General Counsel of Borg-Warner Corporation ("Borg-Warner"), I have acted as counsel in connection with the preparation, execution and delivery of the Agreement for Sale of Assets between The Echlin Manufacturing Company ("Echlin") and Borg-Warner made as of February 28, 1981 providing for the exchange by Borg-Warner of all of the assets and certain of the liabilities of its Automotive Aftermarket Operations, which are defined in Section 1.1 of the Agreement as Ottawa Division, Automotive Parts Division, Automotive Parts Division International, Allwin/Washington Division and Automotive Parts Division of Borg-Warner (Canada) Limited; and the preparation of the material appearing under the heading "Business and Property of Borg-Warner's Automotive Aftermarket Operations" in the Echlin Proxy Statement dated June 5, 1981 (the "Proxy Statement"), filed with the Securities and Exchange Commission pursuant to its rules promulgated under the Securities Exchange Act of 1934.

I have supervised the corporate proceedings authorizing Borg-Warner's execution and delivery of the Agreement, the transfer, assignment and delivery to Echlin of the Automotive Aftermarket Operations pursuant to the Agreement and Borg-Warner's execution and delivery of the Restricted Securities Agreement. In addition, I have examined the Certificate of Incorporation and bylaws of Borg-Warner.

I am familiar with Borg-Warner's ownership of the Automotive Aftermarket Operations. I am also familiar with the nature of the business conducted by the Automotive Aftermarket Operations and the jurisdictions in which the Automotive Aftermarket Operations owns, leases, or operates its properties or conducts its business.

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I have examined the Proxy Statement, and in addition, I have examined such corporate documents, certificates, records and other papers, including the Schedules delivered to Echlin pursuant to the provisions of the Agreement, and made such investigations and inquiries as I have deemed necessary or desirable in order to enable me to render this opinion, which is given pursuant to Section 11.1(c) of the Agreement.

This opinion and all statements herein are rendered only insofar as they relate to Borg-Warner's Automotive Aftermarket Operations (as defined in Section 1.1 of the Agreement), and do not extend or include the Additional Assets (as defined in Section 1.1 of the Agreement) to be conveyed pursuant to Section 1.1 of the Agreement.

Based on the foregoing and in reliance upon the opinion of Messrs. McMillan, Binch, Barristers & Solicitors, Toronto, Ontario, Canada as to matters referred to in paragraphs (1), (4), (5), (8) and (10) below insofar as they relate to APD Automotive Inc., a Subsidiary, which opinion is attached hereto, I am of the opinion that:

- (1) Borg-Warner has good and marketable title to the assets, property and business of the Automotive Aftermarket Operations, has the right and power to sell, assign and transfer the Automotive Aftermarket Operations assets and the transfer, assignment and delivery to Echlin of the Automotive Aftermarket Operations assets will vest in Echlin good, valid, marketable and indefeasible title to the Automotive Aftermarket Operations assets, free of any mortgage, lien, claim, charge, pledge or encumbrance whatever other than those created by or in Echlin or except as disclosed in the Agreement or any Exhibit thereto, or liens, security interests, encumbrances which are not substantial in amount and which do not materially affect the value of the assets subject thereto or impair their usefulness in the conduct of the Automotive Aftermarket Operations and liens for taxes not yet due and payable;

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- (2) Borg-Warner is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite power to own, lease and operate its properties and to conduct the business presently being conducted by the Automotive Aftermarket Operations, as described in the Proxy Statement;
- (3) Borg-Warner has full corporate power to carry out the transactions provided for in the Agreement; all corporate and other proceedings required to be taken by or on the part of Borg-Warner to authorize it to execute and deliver the Agreement and to consummate the transactions contemplated therein have been duly and validly taken; and the Agreement has been duly and validly authorized, executed and delivered by Borg-Warner and constitutes a valid and binding obligation of Borg-Warner enforceable against it and its successors and assigns in accordance with its terms;
- (4) Borg-Warner is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the operations of the Automotive Aftermarket Operations are doing business which would require such qualification;
- (5) APD Automotive Inc., is a corporation duly organized and existing and in good standing under the laws of the Dominion of Canada, has all requisite corporate power to own, lease and operate its properties and to conduct its business as presently being conducted and as proposed to be conducted, except that it has not obtained a license under the Mortmain and Charitable Uses Act of Ontario. All shares of the capital stock of APD Automotive Inc. are validly issued, fully paid and non-assessable, and are owned of record by Borg-Warner, free and clear of any liens or encumbrances;
- (6) The execution and delivery of the Agreement, the consummation by Borg-Warner of the transactions contemplated thereby and the fulfillment of the terms and compliance with the provisions thereof will not conflict with or result in a breach of

The Echlin Manufacturing Company
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any provision of its Certificate of Incorporation or bylaws or conflict with or result in a breach of or default under (or in an occurrence which with the lapse of time or action by a third party could result in a default under), or give rise to a right of termination, cancellation or acceleration with respect to, the terms, conditions, or provisions of, any note, bond, mortgage, indenture, license, agreement or any other instrument or obligation to which Borg-Warner is a party or is subject or by which the Automotive Aftermarket Operations or any of its properties or assets are bound, of which I have knowledge after making inquiry with respect thereto, or violate any court order, writ, injunction or decree applicable to Borg-Warner, or any of its Automotive Aftermarket Operations properties or assets, of which I have knowledge;

- (7) Borg-Warner has full corporate power to carry out the transactions as provided in the Restricted Securities Agreement; all corporate and other proceedings required to be taken by or on the part of Borg-Warner to authorize it to execute, deliver and perform the Restricted Securities Agreement have been duly and validly taken; and the Restricted Securities Agreement has been duly and validly authorized, executed and delivered by Borg-Warner and constitutes a valid and binding obligation of Borg-Warner enforceable against Borg-Warner and its successors and assigns in accordance with its terms;
- (8) Any consent or approval by any governmental authority which is required in connection with the consummation by Borg-Warner of the transactions contemplated by the Agreement has been obtained, except that the approval of the Department of Industry, Trade and Commerce of Canada has not been obtained. Borg-Warner has obtained or requested all consents, approvals, waivers and notifications of creditors, lessors, and other non-governmental persons, in connection with the execution and delivery of the Agreement and transactions contemplated thereby;

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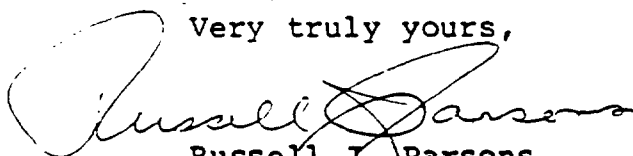
- (9) I do not know of any litigation, proceeding or investigation that is pending or threatened against Borg-Warner except as set forth in Exhibit H and the amendment thereto in which an adverse determination would have a material adverse affect the properties, business, operations or condition (financial or otherwise) of the Automotive Aftermarket Operations, taken as a whole, or which might jeopardize or have a material adverse affect on any of the transactions contemplated by the Agreement;
- (10) I do not know of any item called for by the Exhibits to the Agreement which is not disclosed therein or in an amendment thereto, or any material default under any outstanding lease, contract, promissory note, license or other agreement listed in any such Exhibit;
- (11) Except as to financial statements and other financial data or as to material relating to or supplied by Echlin for inclusion in the Proxy Statement, as to which no opinion is expressed, I have no reason to believe that at the time of the Echlin Stockholders Meeting held on July 7, 1981, the "Business and Property of Borg-Warner's Aftermarket Operations" section of the Proxy Statement was false or misleading with respect to any material fact contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading as of the date of such meeting.

The opinions expressed in paragraphs (3) and (7) above with respect to the enforceability of the Agreement and the Restated Restrictions Agreement are limited to the extent that general equitable principles may limit the availability of the remedies of specific performance and injunctive relief and are subject to the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally. Enforcement of

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the indemnification provisions of the Agreement and the Restated Restrictions Agreement may also be limited by the applicability of any Federal or state securities laws, rules or regulations.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Russell J. Parsons".

Russell J. Parsons
Senior Vice President
and General Counsel

RJP/st

Borg-Warner Corporation
100 South Michigan Avenue
Chicago, Illinois 60604

July 14, 1981

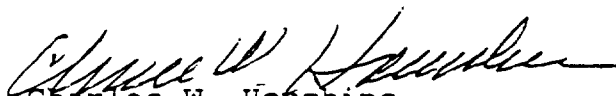
The Echlin Manufacturing Company
175 North Branford Road
Branford, Connecticut 06405

Gentlemen:

This letter will constitute a supplement to an opinion letter of July 14, 1981 from Russell J. Parsons, Senior Vice President and General Counsel of Borg-Warner Corporation to yourselves, opining as to certain matters in connection with the closing of the sale of certain assets of Borg-Warner Corporation to The Echlin Manufacturing Company. This letter specifically supplements and modifies paragraph 8 of the aforescribed letter of Mr. Parsons. At the time such letter was written there was not actually pending or threatened litigation which might adversely affect the assets or which might jeopardize any of the transactions contemplated by the Agreement. Borg-Warner has been advised today by telephone call from the Federal Trade Commission to the undersigned of the action on the part of the Federal Trade Commission to file an administrative complaint challenging the legality of the transaction under Section 7 of the Clayton Act. This letter is, therefore, to specifically advise you of that fact and to except from paragraph 8 the above described threatened litigation.

Very truly yours,

BORG-WARNER CORPORATION


Charles W. Houchins
Associate General Counsel

CWH:dc

E00266

ASSIGNMENT

WHEREAS, BORG-WARNER CORPORATION ("Assignor"), a Delaware corporation, having its principal place of business at 200 South Michigan Avenue, Chicago, Illinois 60604, is the owner of the entire right, title, and interest in and to the trademarks, applications for registration and registrations of said marks listed in Exhibit "A" annexed hereto; and

WHEREAS, THE ECHLIN MANUFACTURING COMPANY ("Assignee") a Connecticut corporation, having its principal place of business at 175 North Branford Road, Branford, Connecticut, is desirous of acquiring all rights, title and interest in and to said trademarks, applications for registration and registrations listed in Exhibit "A" annexed hereto;

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby assign unto Assignee, all rights, title and interest in and to the trademarks listed in Exhibit "A" annexed hereto, together with the applications and registrations thereof and the good will of the business symbolized by the marks.

BORG-WARNER CORPORATION

By 
Senior Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 10th day of July, 1981, before me appeared Russell S. Parsons, the person who signed this instrument on his own behalf, or who was authorized to sign this instrument on behalf of the identified corporation or other juristic entity, who being sworn, acknowledged that he signed this instrument as a free act.


Notary Public

EXHIBIT "A"

TRADEMARK REGISTRATIONS AND APPLICATIONS

<u>Trademark</u>	<u>Country</u>	<u>Number</u>
AUTO MECH	Benelux	98,411
AUTO-MECH	Canada	152,940
AUTO-MECH	China(People's Rep.)	(Appln)
CAPSUL-PAC	Benelux	96,900
CAPSUL-PAC & Design	Canada	143,887
POWER BRUTE	Canada	198,006
TRU-POWER & Design	Benelux	328,627
TRU-POWER & Design	Canada	205,518
TRU-POWER & Design	China(People's Rep.)	(Appln)
TRU-POWER & Design	Colombia	85,690
TRU-POWER & Design	Ecuador	251
TRU-POWER & Design	Puerto Rico	18,962
TRU-POWER & Design	Venezuela-	85,057

ASSUMPTION OF LIABILITIES

The Echlin Manufacturing Company ("Echlin") pursuant to the provisions of the Agreement for Sale of Assets between Borg-Warner Corporation ("Borg-Warner") and Echlin, effective as of February 28, 1981, hereby assumes and agrees to pay, perform and discharge the following, and only the following, liabilities and obligations of Borg-Warner pertinent to the assets and business of the Automotive Aftermarket Operations:

(a) Liabilities of the Automotive Aftermarket Operations as of the Balance Sheet Date, whether accrued, absolute, contingent or otherwise, which are reflected or reserved against in the Balance Sheet (but only to the extent so reflected or reserved against) plus such liabilities as may have been incurred in the ordinary course of business between the Balance Sheet Date and the Effective Date. In addition, Echlin assumes other liabilities of the Automotive Aftermarket Operations not reflected on the Balance Sheet or reserved against but which were incurred prior to the Balance Sheet Date in the ordinary course of business, provided, however, that Echlin's assumption of such liabilities under this paragraph shall not exceed \$50,000.

(b) Obligations of the Automotive Aftermarket Operations in respect of the leases, contracts and other commitments of Borg-Warner and Borg-Warner (Canada) Limited (or the new Canadian subsidiary), related to the Automotive Aftermarket Operations, including but not limited to, obligations under purchase orders, sales orders and leases of real or

personal property; provided, however, that Echlin shall not assume liability for, or be in any way obligated in any respect for any breach or of any failure of performance in respect of any such leases, contracts or commitments of Borg-Warner or Borg-Warner (Canada) Limited on or prior to Effective Date.

(c) The obligations of the Automotive Aftermarket Operations for (i) claims for injuries or damages occurring after the Effective Date involving products manufactured by the Ottawa Division and the Ballwin/Washington Division of the Automotive Aftermarket-Operations; (ii) damaged or defective goods within the warranty policy and practices of the Automotive Aftermarket Operations; and (iii) returned goods in accordance with the prior practices of the Automotive Aftermarket Operations.

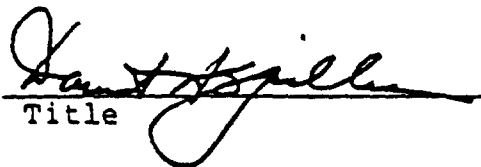
Notwithstanding anything herein contained, the liabilities and obligations which are to be assumed and which Echlin has agreed to perform and discharge shall not include (i) any tax liabilities attributable to the operations of the Automotive Aftermarket Operations which were due and payable, or accrued prior to the Effective Date or (ii) claims for injuries or damages involving products manufactured by Borg-Warner Divisions other than the Ottawa and Ballwin/Washington Divisions.

IN WITNESS WHEREOF, Echlin has caused this Assumption of Liabilities to be signed and sealed this 14th day of July, 1981.

THE ECHLIN MANUFACTURING COMPANY

By

Title



(Seal)

Purchase OrderVendorAmount Open*Automotive Parts Division International (cont'd.)

T1-2131	Rockford Division (Mechanics items) 1200 Windsor Road Rockford, IL 61101	\$ 93,310
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T1-2237	Ballwin/Washington Division P.O. Box 230 Ballwin, MO 63011	56,000
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T1-2239	"	66,000
	"	55,850

T1-2263	Krizman, Inc. 1141 East 12th Street Mishawaka, IN 46544	51,500
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T1-2285	"	134,000
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T1-2319	"	61,000
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(2) Automotive Parts Division

55165	American Rubber Products 692 Alpha Drive Cleveland, Ohio 44143	68,386
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54960	Anchor Industries 1725 London Road Cleveland, Ohio 44112	51,532
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55164	"	154,061
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55287	"	91,415
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55353	"	83,758
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55166	Cleveland Motive Products 30505 Clemens Road Westlake, Ohio 44145	51,267
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Amount Open as of 4/1/81

Purchase OrderVendorAmount Open*Automotive Parts Division (cont'd.)

54768	New Bedford Gear Brailey Road Ind. Park New Bedford, Mass. 02746	\$177,972
54870	"	58,888
55033	"	263,640
55225	"	260,472
55307	"	232,663
55224	Timing Gear Corporation 2425 American Lane Elk Grove Village, IL 60007	50,997
55319	European Parts Exchange Irvine Ind. Park Irvine, CA 92713	93,672
55346	"	53,417
54881	"	84,481
55220	"	259,729
55237	"	139,771
54810	PACCO Products 235 N. Sherman Corona, CA 91720	70,489
55125	"	54,405
55040	Carter Carburetor 9666 Olive Street St. Louis, MO 63132	144,720
55233	"	56,076
55315	"	106,366

*Amount Open as of 4/1/81

Purchase OrderVendorAmount Open*Automotive Parts Division (cont'd.)

54874	Alloy Automotive 3205 S. Shields Chicago, IL 60616	\$ 52,065
55037	"	59,613
55230	"	97,309
55141	Automotive Controls (Echlin) Echlin Road & U.S. 1 Branford, Conn. 06405	146,422
55056	"	176,139
54828	"	57,582
55118	"	91,897
55180	"	55,117
55077	"	84,417
55119	Automotive Controls 13 W. Oak Street Independence, KA 67301	278,073
55188	"	50,439
55146	"	92,496
60000	Borg & Beck Division 6558 South Menard Avenue Chicago, IL 60638	1,011,152
60022	"	239,144
50000	Borg & Beck Division 6700 18 1/2 Mile Road Sterling Heights, MI 48078	498,735

*Amount Open as of 4/1/81

Purchase OrderVendorAmount Open*Automotive Parts Division (cont'd.)

55205	B.L.D. Products 534 E. 48th Street Holland, MI 49423	\$115,243
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55093	Essex International 5200 Auto Club Drive Dearborn, MI 48126	88,089
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55103	"	80,994
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55148	"	82,782
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55019	F & E Mfg. 32031 Townley Road Madison Heights, MI 48817	50,077
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55189	"	280,149
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55303	"	72,009
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54777	Federal Mogul P.O. Box 1966 Detroit, MI 48235	54,268
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54879	"	91,503
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55042	"	139,422
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55159	"	171,052
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55317	"	72,779
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00001	Ottawa Division P.O. Box 788 Ottawa, IL 61350	289,567
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00002	"	417,858
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00003	"	799,492
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00004	"	1,049,414
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00005	"	1,592,767
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00006	"	1,433,403
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00007	"	1,357,768
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*Amount Open as of 4/1/81

Purchase OrderVendorAmount Open*Automotive Parts Division (cont'd.)

5474	Ballwin/Washington Division P.O. Box 230 Ballwin, MO 63011	\$302,714
54876	"	386,499
55039	"	820,152
55232	"	616,993
55314	"	219,115
70000	Mechanics Division 1200 Windsor Road Rockford, IL 61101	56,382
"	"	87,841
"	"	103,290
"	"	53,027
54871	Morse Chain Division South Aurora Street Ithaca, New York 14850	119,894
55034	"	262,349
55226	"	99,746
55308	"	173,457
54771	Zeller Corporation P.O. Box 278 Defiance, Ohio 43512	74,375
54873	"	112,489
55036	"	111,003
55229	"	175,660
55311	"	64,458

Amount Open as of 4/1/81

Purchase OrderVendorAmount Open*) Ottawa Division

1500	Rockford-Division 1200 Windsor Road Rockford, IL 61101	\$304,458
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5500	Borg & Beck Division 6558 South Menard Avenue Chicago, IL 60638	224,966
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4400	Borg & Beck Division 6700 18 1/2 Mile Road Sterling Heights, MI 48078	173,315
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5152	Spring Division 700 South 25th Avenue Bellwood, IL 60104	78,600
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1567	Aisin USA Torence, CA	108,136
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1566	H.K. Porter Huntington, IN	98,171
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5210	Raybestos Manhattan Manheim, PA	271,851
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50601

4) Ballwin/Washington Division

None

5) Automotive Parts Division, Borg-Warner (Canada) Limited

80247	Zeller Corporation P.O. Box 278 Defiance, Ohio 43512	87,000 (to be shipped in three monthly installments)
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*Amount Open as of 4/1/81

The Automotive Aftermarket Operations have unfilled customer orders in excess of \$50,000, as follows:

<u>Order No.</u>	<u>Customer</u>	<u>Amount Open</u>
<u>Automotive Parts Division International</u>		
T9-6547	Ets. Boon Chaussee de Haecht 1634 1130 Brussels, Belgium	\$ 96,100
T0-7498	Ets. Boon Chaussee de Haecht 1634 1130 Brussels, Belgium	156,000
T0-8004	Repuestos El Paraiso C.A. Apartado No. 75335 Caracas 1070-A, Venezuela	100,000
T0-8329	Teriak Eid 7, El Matbaa El Amiria Boulack, Cairo, Egypt	111,300
T1-2025	Sager Sulaiman Alghanaman P.O. Box 295 Kuwait	76,000
1 2058	Landa Motor Avenida Paez, Edif. MI, Rancho 11 Local 3, Puente Hierro Caracas 1010, Venezuela	84,700
T1-2060	Repuestos Boleita Avenida Francisco De Miranda Boleita, Estado Miranda Venezuela	208,000
T1-2066	IBEA P.O. Box 6970 Guayaquil, Ecuador	60,000
T1-2076	Samuel Wolfensen Jr. Garcia Naranjo #250-252 Lima 13, Peru	53,000

unt Open as of 4/1/81

Order No.CustomerAmount Open*Automotive Parts Division International (cont'd.)

T1-2082	Sadaga & Siraj Kaki P.O. Box 1 Mecca, Saudi Arabia	\$ 92,400
T1-2089	Motores Valencia C.A. Calle Michelena #110-60 Edif. Negro Primero Valencia Estado Carabobo Venezuela	55,000
T1-2096	I & M Ludmir S.C. Av. Iquitos No. 114 Lima 13, Peru	80,000
T1-2112	Rota Agro Apartado 179 Maracay Edo. Aragua Venezuela	76,000
T1-2113	Rota Agro Apartado 179 Maracay Edo. Aragua Venezuela	76,000
T1-2131	Transvaal Motor Industries P.O. Box 6931 Johannesburg 2000, South Africa	133,300
T1-2136	Rovandi S.A. P.O. Box 105 Guarenas, Estado Miranda Venezuela	116,800
T1-2210	B-W Automotive of Puerto Rico, Inc. G.P.O. Box 8D San Juan, Puerto Rico 00936	130,000
T1-2231	Rung Chai Alai Tractor 256-258 Boripatra Road Bangkok, Thailand	51,000
T1-2237	Distribuidora Vezga Urb. La Trinidad Calle 55-B-No. 15-0-106 Maracaibo, Venezuela	72,000

Int Open as of 4/1/81

Automotive Parts Division International (cont'd.)

T1-2239	Soler Motors P.O. Box 1268 Miami, Florida	\$ 86,000
T1-2245	M. Andraos & Co. P.O. Box 447 Beirut, Lebanon	360,000
T1-2263	Rovandi S.A. P.O. Box 105 Guarenas, Estado Miranda Venezuela	69,000
T1-2266	Repuestos Calamon C. A. Calle Bolivar 58 Catia, Caracas 1030 Venezuela	72,000
T1-2285	Drimpex C. A. Calle Sur Con Cine Artigas Avenida San Martin Edif. Palaez Hermanas Caracas 1020, Venezuela	700,000
T1-2319	Repuestos El Paraíso C. A. Apartado No. 75335 Caracas 1070-A, Venezuela	82,000

Automotive Parts Division

27605-1	Motors, Inc.	83,829
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Ottawa Division

R-26044	International Harvester	85,979
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Ballwin/Washington Division

None

Automotive Parts Division, Borg-Warner (Canada) Limited

None

Amount Open as of 4/1/81