File note - Meeting with Carey Personnel in New Jersey

Met with Moe DeSalvo (V.P. Mfg. ) and Morris Hartke (proposed plant manager of S & K) evening of January 6, 1969 at Howard Johnson Motel in Clark, New Jersey. Discussion was primarily an updating of all management personnel at S & K and general plans for activities of January 7.

January 7, 1969 - After a plant tour and introduction to each of the management group, individual meetings were held between each person and Mr. DeSalvo, Hartke and self. Theme of meetings were that company is probably sold, will take from 2 weeks to 2 months to finalize, but in the meantime we're here to explore interests, answer questions, etc. Mr. DeSalvo then reviewed plans for the operation (growth, etc.) and employees were encouraged to ask questions while being interviewed.

After all persons had been interviewed, we reviewed the cost sheets making up the figures in the machine hour rate presented to Carey several months ago. This apparantly answered several questions of the Carey people regarding S.G. & A., etc.

As time was getting short, (thirty minutes before the Carey people had to leave), we discussed the details that need clarification. John Martino was present along with the aforementioned. The following is a general outline:

1. It was established that the present pricing of Victor products is from five to ten per cent below competition.

2. Philip Carey will allow protection for three (3) years on all current products with price increases applicable to show reflection of raw materials and labor only.

3. Victor will buy from S & K for one and one-half (1-1/2) years all materials now being purchased. (This figure was negotiated from Mr. Burns desire of one year and Mr. DeSalvo's desire of two years)

4. The following products were established as proprietory with the understanding that if, per chance, Carey is currently manufacturing a similiar or identical product, there can be no quarrel. (At this date, our furnishes have not been exposed to Carey)