MINUTES OF SPECIAL MEETING

OF

BRAKE LINING MANUFACTURERS' ASSOCIATION, INC.
(IN DISSOLUTION)

WEDNESDAY, APRIL 27, 1949 AT 2 P.M.
AT THE
HOTEL COMMODORE, NEW YORK, N. Y.

PRESENT:
L. M. CASSIDY
R. B. DAVIS
D. H. SPICER
V. A. SPINA
G. M. WILLIAMS

ABSENT:
W. A. BLUME
T. L. GATKE

THERE WERE ALSO PRESENT WILLIAM H. DUNN, TREASURER, AND LESTER D. STICKLES, ESQ., COUNSEL.

THE PRESIDENT, MR. SPINA, PRESIDED AS CHAIRMAN AND MR. STICKLES ACTED AS SECRETARY OF THE MEETING.

THE ACTING SECRETARY THEN READ THE NOTICE OF MEETING DATED APRIL 18TH, 1949 TO WHICH WAS ATTACHED THE PROOF OF MAILING. THE NOTICE OF MEETING AND AFFIDAVIT WERE THEREUPON DIRECTED TO BE PREFIXED TO THE MINUTES OF THIS MEETING.

THE CHAIRMAN THEN ANNOUNCED THAT A QUORUM WAS PRESENT AND THAT IT WAS IN ORDER TO PROCEED WITH THE BUSINESS OF THE MEETING.

UPON MOTION DULY MADE AND SECONDED, THE READING OF THE MINUTES OF THE LAST MEETING OF THE BOARD OF DIRECTORS WAS WAIVED.

THE CHAIRMAN STATED THAT HE HAD CALLED THIS SPECIAL MEETING FOR THE PURPOSE OF CONSIDERING AN OFFER RECEIVED FROM CLUTCH FACING AND BRAKE LINING STANDARDS INSTITUTE, INC. HE STATED THAT FOLLOWING THE FILING OF THE CERTIFICATE OF DISSOLUTION OF THE ASSOCIATION, THE OFFICERS AND DIRECTORS HAD BEEN TAKING THE NECESSARY STEPS TO LIQUIDATE THE ASSETS AND TO PAY OFF THE LIABILITIES. HE STATED THAT THE ASSET OF GREATEST VALUE TO THE ASSOCIATION WAS THE DATA BOOK, AND THAT PENDING THE PROPOSED SALE OF THIS ASSET, THE DIRECTORS HAD TAKEN SUCH STEPS AS WERE NECESSARY TO PRESERVE THE VALUE OF THIS ASSET THROUGH THE CONTINUANCE OF COMPILATION OF CURRENT DATA. HE STATED THAT AN OFFER HAD BEEN RECEIVED FOR THE PURCHASE FROM THE ASSOCIATION OF ALL OF ITS ASSETS AND THAT THE PURCHASE PRICE NAMED IN SUCH OFFER WHEN ADDED TO THE LIQUID ASSETS WOULD BE SUFFICIENT TO DISCHARGE THE OUTSTANDING LIABILITIES OF THE ASSOCIATION.

THE CHAIRMAN THEN CALLED UPON THE TREASURER TO PRESENT A REPORT ON THE ASSOCIATION'S PRESENT FINANCIAL POSITION. MR. DUNN THEN SUBMITTED TO THE MEETING A STATEMENT OF ASSETS AND LIABILITIES, DATED AS OF APRIL 21, 1949. HE EXPLAINED THAT THE STATEMENT INCLUDED IN THE LIABILITIES, PROVISION FOR ALL EXPENSES THROUGH APRIL 30, 1949. HE STATED THAT THE REPORT, HOWEVER, DID NOT INCLUDE THE CLAIM OF RALPH D. PITTMAN FOR LEGAL SERVICES, IN THE AMOUNT OF $5,000, SINCE THE AMOUNT OF THE CLAIM HAS NOT BEEN AGREED TO BY THE DIRECTORS. HE ALSO STATED THAT NO PROVISION HAS BEEN

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MADE IN THE STATEMENT FOR PAYMENT TO McLAUGHLIN & STICKLES OF ITS ANNUAL RETAINER. THE SAID ANNUAL RETAINER HAS ACCRUED SINCE JULY 1, 1948 AT THE RATE OF $2,500. THE CHAIRMAN THEREUPON DIRECTED THAT A COPY OF THE SAID REPORT BE FILED WITH THE MINUTES OF THIS MEETING.

THE CHAIRMAN THEN STATED THAT UNDER THE TERMS OF AN OFFER RECEIVED FROM CLUTCH FACING AND BRAKE LINING STANDARDS INSTITUTE, INC., THE INSTITUTE PROPOSED TO PURCHASE ALL OF THE ASSETS OF THE ASSOCIATION, WITH THE EXCEPTION OF CASH IN BANK AND GOVERNMENT BONDS, FOR THE SUM OF $14,000 IN CASH. THE OFFER PROVIDED THAT THERE BE AMONG THE ASSETS TO BE TRANSFERRED, AN ASSIGNMENT TO THE INSTITUTE OF ALL UNPAID DUES AND ASSESSMENTS DUE THE ASSOCIATION. AMONG THE ASSETS TO BE TRANSFERRED, THERE WAS TO BE AN ASSIGNMENT OF ALL COPYRIGHTS AND AN ASSIGNMENT OF PUBLICATION RIGHTS TO ALL THE PUBLISHED AND UNPUBLISHED DATA AND INFORMATION BELONGING TO THE ASSOCIATION.

THE CHAIRMAN STATED THAT IF THE OFFER OF THE INSTITUTE WAS ACCEPTED, THE TRANSFER OF THE ASSETS COULD BE MADE IMMEDIATELY AND ALL ACTIVITIES, INCLUDING THE WORK BEING DONE CURRENTLY TO PRESERVE THE VALUE OF THE DATA BOOK, COULD BE TERMINATED AND THE PROCEEDS OF THE SALE USED TO PAY OFF THE LIABILITIES OF THE ASSOCIATION ALL OF WHICH HAD BEEN FIXED AND DETERMINED WITH THE EXCEPTION OF THE CLAIM OF RALPH D. PITTMAN FOR $5,000.

THE CHAIRMAN POINTED OUT THAT ORIGINALLY THE OFFER OF THE INSTITUTE HAD BEEN PRESENTED IN THE FORM OF A LETTER DATED MARCH 22, 1949, WRITTEN BY THE PRESIDENT OF THE INSTITUTE TO EACH OF THE DIRECTORS OF THE ASSOCIATION, AND THAT ACCEPTANCES OF THE OFFER HAD BEEN RECEIVED, SIGNED BY ALL OF THE DIRECTORS PRESENT AND BY T. L. GATKE.

DISCUSSION THEN FOLLOWED AS TO SECURING SOME PROTECTION IN THE EVENT THAT THE AMOUNT OF LIABILITIES AS FINALLY DETERMINED EXCEEDS THE AMOUNT NOW PROVIDED FOR. THE CHAIRMAN STATED THAT THE OFFER OF THE INSTITUTE DID NOT PROVIDE FOR THE ASSUMPTION OF THE LIABILITIES OF THE ASSOCIATION.

IT WAS THE CONSENSUS OF OPINION OF THE DIRECTORS PRESENT AT THE MEETING THAT THE INSTITUTE SHOULD BE REQUESTED TO SAVE HARMLESS THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF AND FROM ANY LIABILITIES, THE PAYMENT OF WHICH IS NOT NOW BEING PROVIDED FOR, UP TO AN AGGREGATE PRINCIPAL SUM OF $2,500.

AFTER CONSIDERATION AND UPON MOTION MADE BY MR. WILLIAMS AND SECONDED BY MR. SPICER, THE FOLLOWING PREAMBLES AND RESOLUTIONS WERE UNANIMOUSLY ADOPTED:

> WHEREAS, THE MEMBERSHIP OF THIS ASSOCIATION AT A SPECIAL MEETING HELD ON AUGUST 26, 1948, VOTED TO DISSOLVE, AND THEREAFTER A CERTIFICATE OF DISSOLUTION WAS FILED WITH THE SECRETARY OF STATE; AND
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> WHEREAS, THE DIRECTORS HAVE CONTINUED THE COMPILATION OF TECHNICAL DATA SO AS TO PRESERVE THE SALES VALUE OF THE BLMA DATA BOOK, THE ASSOCIATION'S PRINCIPAL ASSET; AND
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> WHEREAS, AN OFFER HAS BEEN RECEIVED FROM CLUTCH FACING AND BRAKE LINING STANDARDS INSTITUTE, INC. (HEREINAFTER REFERRED TO AS THE "INSTITUTE"), WHEREBY THE INSTITUTE OFFERS TO PURCHASE FOR THE SUM OF $14,000, ALL OF THE ASSETS OF THE ASSOCIATION WITH THE EXCEPTION OF CASH IN BANKS AND U. S. BONDS; AND

WHEREAS, THE SAID OFFER IS CONDITIONED UPON THE CONSUMMATION OF THIS TRANSACTION BEFORE APRIL 30, 1949, SO AS TO ENABLE THE INSTITUTE TO ARRANGE TO PUBLISH THE "DATA BOOK" UNDER ITS NAME; AND

WHEREAS, IT IS THE CONSENSUS OF OPINION OF THIS BOARD THAT SOME PROVISION SHOULD BE MADE FOR THE ASSUMPTION BY THE INSTITUTE OF ANY LIABILITIES, PAYMENT OF WHICH HAS NOT BEEN FULLY PROVIDED FOR;

NOW, THEREFORE, BE IT

RESOLVED, THAT IT IS TO THE BEST INTERESTS OF THE MEMBERS OF THE ASSOCIATION THAT THE OFFER OF THE INSTITUTE TO PURCHASE ALL OF THE ASSETS OF THE ASSOCIATION, AS OUTLINED ABOVE, FOR THE SUM OF FOURTEEN THOUSAND ($14,000), BE ACCEPTED, PROVIDED THAT THE INSTITUTE UNDERTAKES TO SAVE HARMLESS THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION, IN DISSOLUTION, OF AND FROM ANY LIABILITIES OF THE ASSOCIATION, THE PAYMENT OF WHICH HAS NOT BEEN FULLY PROVIDED FOR UP TO AN AGGREGATE PRINCIPAL SUM OF TWO THOUSAND FIVE HUNDRED ($ 2,500)DOLLARS; AND BE IT FURTHER

RESOLVED, THAT THE SAID OFFER, SUBJECT TO THE FOREGOING CONDITION, BE AND IT HEREBY IS ACCEPTED AND THAT THE OFFICERS OF THE ASSOCIATION BE AND THEY HEREBY ARE AUTHORIZED AND DIRECTED TO EXECUTE BILLS OF SALE, ASSIGNMENTS AND ANY OTHER DOCUMENTS WHICH MAY BE NECESSARY TO EFFECT THE TRANSFER OF THE ASSETS OF THE ASSOCIATION, WITH THE EXCEPTION OF ITS CASH AND INVESTMENTS, TO THE INSTITUTE UPON THE PAYMENT TO THE ASSOCIATION OF THE SUM OF FOURTEEN THOUSAND ($14,000) DOLLARS, AND UPON THE EXECUTION AND DELIVERY TO THE ASSOCIATION OF AN INSTRUMENT WHEREBY THE INSTITUTE UNDERTAKES TO SAVE HARMLESS THE DIRECTORS OF THE ASSOCIATION IN THE MANNER AND TO THE EXTENT PROVIDED ABOVE; AND BE IT FURTHER

RESOLVED, THAT THE OFFICERS OF THE ASSOCIATION BE AND THEY HEREBY ARE AUTHORIZED AND DIRECTED FROM TIME TO TIME, AT THE REQUEST OF THE INSTITUTE, TO EXECUTE ANY DOCUMENTS WHICH THE INSTITUTE MAY REASONABLY REQUEST TO AID IT IN THE COLLECTION OF CLAIMS ASSIGNED TO IT BY THE ASSOCIATION OR IN THE DEFENSE OF THE TITLE TO ANY ASSETS TRANSFERRED TO IT.

THE CHAIRMAN THEN STATED THAT UPON THE TRANSFER OF THE ASSETS TO THE INSTITUTE AND THE RECEIPT OF THE MONIES BY IT, IT WOULD BE IN ORDER FOR THE ASSOCIATION TO CLOSE OUT ALL OF ITS ACTIVITIES AND OPERATIONS AND TO PAY OFF ITS LIABILITIES.

AFTER CONSIDERATION AND UPON MOTION DULY MADE BY MR. DAVIS AND SECONDED BY MR. SPICER, THE FOLLOWING RESOLUTIONS WERE UNANIMOUSLY ADOPTED:

RESOLVED, THAT THE OFFICERS OF THE ASSOCIATION BE AND THEY HEREBY ARE DIRECTED, ON APRIL 30, 1949, TO TERMINATE THE SERVICES OF ALL EMPLOYEES OF THE ASSOCIATION; TO CLOSE THE OFFICE AND TURN OVER TO THE INSTITUTE THE SPACE WHICH THE ASSOCIATION NOW OCCUPIES, AND TO DISCONTINUE ALL ACTIVITIES OF THE ASSOCIATION; AND IT WAS FURTHER

RESOLVED, THAT THE FOLLOWING LIABILITIES OF THE ASSOCIATION BE AND THEY HEREBY ARE APPROVED AND THAT THE TREASURER BE DIRECTED TO MAKE PAYMENT THEREOF:

NOTE PAYABLE - THE NATIONAL CITY BANK PLUS INTEREST	$2,000.00
REFUNDS TO MEMBERS ON ACCOUNT OF LEGAL FEES ADVANCED BY THEM IN EXCESS OF THEIR PROPORTIONATE SHARE	5,501.41
BALANCE OF FEES TO MCLAUGHLIN & STICKLES IN CONNECTION WITH ANTITRUST MATTER, INCLUDING DISBURSEMENTS	10,584.85

AND IT WAS FURTHER

RESOLVED, THAT LESTER D. STICKLES, ESQ., COUNSEL, BE AND HE HEREBY IS AUTHORIZED TO COMPROMISE FOR ANY AMOUNT NOT IN EXCESS OF $2,500, THE CLAIM OF RALPH D. PITTMAN AGAINST THE ASSOCIATION, AND UPON COMPROMISE OF SUCH CLAIM THE TREASURER BE AND HE HEREBY IS AUTHORIZED TO MAKE PAYMENT THEREOF TO RALPH D. PITTMAN; AND IT WAS FURTHER

RESOLVED, THAT THE TREASURER BE AND HE HEREBY IS AUTHORIZED AND DIRECTED TO MAKE PAYMENT OF ANY BALANCE REMAINING AFTER THE FOREGOING PAYMENTS, BUT IN NO EVENT TO EXCEED $779.35 TO MCLAUGHLIN & STICKLES, IN FULL SATISFACTION OF RETAINER (ACCRUING FROM JULY 1, 1948 TO SEPTEMBER 30, 1948, AT $2,500 PER YEAR OR $625 PLUS DISBURSEMENTS IN THE AMOUNT OF $154.35).

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE MEETING, UPON MOTION DULY MADE AND SECONDED, IT WAS

A D J O U R N E D.

ACTING SECRETARY

BRAKE LINING MANUFACTURERS' ASSOCIATION, INC.
(DISSOLVED)

JUNE 30TH, 1949

TO THE FORMER MEMBERS OF
BRAKE LINING MANUFACTURERS' ASSOCIATION, INC. (DISSOLVED);

AS THE LAST PRESIDENT OF THE ASSOCIATION, AND UPON THE CONCLUSION OF THE BUSINESS AUTHORIZED AT A MEETING OF THE BOARD OF DIRECTORS HELD IN THE CITY OF NEW YORK ON APRIL 27TH, 1949, I HEREWITH SUBMIT THE CONCLUDING REPORT OF THE ASSOCIATION TO THE MEMBERSHIP:

ON AUGUST 26TH, 1948 A SPECIAL MEETING OF THE MEMBERSHIP OF THE ASSOCIATION WAS HELD WHEREIN IT WAS DECIDED BY RESOLUTION UNANIMOUSLY PASSED THAT THE ASSOCIATION BE DISSOLVED. THIS WAS BROUGHT ABOUT DUE TO THE COMPROMISE EFFECTED BETWEEN THE GOVERNMENT AND COUNSEL FOR THE VARIOUS MEMBERS OF THE ASSOCIATION CONCERNING THREE INDICTMENTS IN THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK PENDING AGAINST THE MEMBERS AND VARIOUS INDIVIDUALS. YOU HAVE WITHOUT DOUBT RECEIVED MORE PARTICULAR INFORMATION FROM YOUR RESPECTIVE COUNSEL IN REFERENCE TO THE DETAILS OF THE COMPROMISE AND THE DISSOLUTION.

IN CARRYING OUT THE DIRECTION OF THE RESOLUTION A CERTIFICATE WAS PREPARED AND DULY EXECUTED AND FILED WITH THE SECRETARY OF STATE AT ALBANY, NEW YORK DISSOLVING THE ASSOCIATION LEGALLY AS OF SEPTEMBER 23RD, 1948.

THE BOARD OF DIRECTORS CONTINUED TO FUNCTION AS TRUSTEES IN WINDING UP THE BUSINESS OF THE ASSOCIATION, AND DID WHAT IT COULD TO PRESERVE THE MAIN ASSET OF THE ASSOCIATION, NAMELY, THE DATA BOOK AND DATA BOOK INFORMATION. NO STATEMENTS WERE SENT OUT TO THE MEMBERS FOR DUES AFTER THE DISSOLUTION HAD BEEN EFFECTED, BUT THE HEADQUARTERS WERE MAINTAINED AT THE SAME LOCATION AND A STAFF WAS CONTINUED THERE TO CARRY OUT THE DETAILS OF LIQUIDATION.

ON APRIL 27TH, 1949 A SPECIAL MEETING OF THE BOARD OF DIRECTORS WAS HELD FOR THE PURPOSE OF ACTING UPON AN OFFER TO PURCHASE THE ASSETS OF THE ASSOCIATION, WITH THE EXCEPTION OF THE CASH AND U. S. SAVINGS BONDS ON HAND. A WRITTEN OFFER HAD BEEN RECEIVED FROM THE CLUTCH FACING AND BRAKE LINING STANDARDS INSTITUTE, INC. TO ACQUIRE SUCH ASSETS BY PAYMENT OF $14,000 IN CASH. THIS COMMUNICATION HAD BEEN REFERRED TO EACH MEMBER OF THE BOARD OF DIRECTORS AND A SPECIAL MEETING WAS CALLED FOR THE PURPOSE OF ACTING THEREON. AFTER CAREFUL CONSIDERATION BY THE MEMBERS PRESENT AT THE SAID SPECIAL MEETING THE FOLLOWING RESOLUTION WAS UNANIMOUSLY PASSED:

> "WHEREAS, THE MEMBERSHIP OF THIS ASSOCIATION AT A SPECIAL MEETING HELD ON AUGUST 26, 1948, VOTED TO DISSOLVE, AND THEREAFTER A CERTIFICATE OF DISSOLUTION WAS FILED WITH THE SECRETARY OF STATE; AND
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> "WHEREAS, THE DIRECTORS HAVE CONTINUED THE COMPILATION OF TECHNICAL DATA SO AS TO PRESERVE THE SALES VALUE OF THE BLMA DATA BOOK, THE ASSOCIATION'S PRINCIPAL ASSET; AND
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> "WHEREAS, AN OFFER HAS BEEN RECEIVED FROM CLUTCH FACING AND BRAKE LINING STANDARDS INSTITUTE, INC. (HEREINAFTER REFERRED TO AS THE "INSTITUTE"), WHEREBY THE INSTITUTE OFFERS TO PURCHASE FOR THE SUM OF $14,000, ALL OF THE ASSETS OF THE ASSOCIATION WITH THE EXCEPTION OF CASH IN BANKS AND U. S. BONDS, AND

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"WHEREAS, the said offer is conditioned upon the consummation of this transaction before April 30, 1949, so as to enable the Institute to arrange to publish the "Data Book" under its name; and

"WHEREAS, it is the cossensus of opinion of this Board that some provision should be made for the assumption by the Institute of any liabilities, payment of which has not been fully provided for;

NOW, THEREFORE, BE IT

"RESOLVED, that it is to the best interests of the members of the Association that the offer of the Institute to purchase all of the assets of the Association, as outlined above, for the sum of Fourteen Thousand ($14,000), be accepted, provided that the Institute undertakes to save harmless the members of the Board of Directors of the Association, in dissolution, of and from any liabilities of the Association, the payment of which has not been fully provided for up to an aggregate principal sum of Two Thousand Five Hundred($2,500) Dollars; and be it further

"RESOLVED, that the said offer, subject to the foregoing condition, be and it hereby is accepted and that the officers of the Association be and they hereby are authorized and directed to execute bills of sale, assignments and any other documents which may be necessary to effect the transfer of the assets of the Association, with the exception of its cash and investments, to the Institute upon the payment to the Association of the sum of Fourteen Thousand ($14,00) Dollars, and upon the execution and delivery to the Association of an instrument whereby the Institute undertakes to save harmless the Directors of the Association in the manner and to the extent provided above; and be it further

"RESOLVED, that the officers of the Association be and they hereby are authorized and directed from time to time, at the request of the Institute, to execute any documents which the Institute may reasonably request to aid it in the collection of claims assigned to it by the Association or in the defense of the title to any assets transferred to it."

The necessary documents were prepared and executed by the officers of the Association to carry out the directions contained within the above stated resolution. An assignment of all the copyrights issued to the Association covering the Data Book and its publication was given to the Clutch Facing and Brake Lining Standards Institute, Inc. A bill of sale transferring title to all other assets formerly belonging to the Association was also turned over to the Institute. Further, a letter was sent by Mr. Smith, as President of the Institute to the last members of the Board of the Association, saving them harmless to the extent of $2,500 as provided for in the said resolution.

The $14,000 which was the consideration for the transfer of the assets of the Association to the Institute, along with the cash on hand and the U. S. Savings Bonds in the possession of the Association permitted the Association to adjust its liabilities and a resume of the fiscal status of the Association as of April 30th, 1949 is as follows:

[redacted]

<u>Realization</u>

Cash in Bank (April 21, 1949)	$1,833.66
Petty Cash (April 21, 1949)	69.49
Estimated Proceeds of Redemption of $7,000 face value, U. S. Savings Bond, Ser. G, 1955-1956	5,399.00
Proceeds of Sale of Assets to C.F. & B.L.S.I.	14,000.00
Total Cash Realized . . .	$21,302.15

<u>Application of Funds</u>

Estimated expenses as follows:		
Social Security and Withholding Taxes	$105.50	
Water	6.00	
Telephone & Telegraph	40.00	
Stationery & Supplies	15.00	
Meeting Expense	16.00	
Miscellaneous	50.00	$ 232.50
Note Payable - National City Bank, (including estimated interest)		2,060.00
Refunds to Members on account of advances re Legal Fees		5,501.41
McLaughlin & Stickles - Fee and Disbursements re Anti-Trust Matter, covering period June 1, 1948 to conclusion of case, October 1, 1948		10,584.95
Ralph D. Pittman - Estimated Settlement re claim for Legal Services		2,500.00
Estimated balanse to be paid to McLaughlin & Stickles in full satisfaction of retainer (accruing from July 1, 1948 to September 30, 1948, at $2,500 per year or $625 plus disbursements in the amount of $154.35)		423.29
Total Cash Expended		$21,302.15

All former members of the Association were given an opportunity to join as charter members the Clutch Facing and Brake Lining Standards Institute, Inc.

The legal dissolution of the Association has been accomplished and all business transactions have terminated and as of April 30th, 1949 the dissolution of the Association was completed.

This is the final report to the membership covering the period from August 26th, 1948 to April 30th, 1949.

V. A. Spina
Former President