H. S. BERGEN - B2SL

January 26, 1972

KUHLMAN ELECTRIC COMPANY
VERSAILLES, KY.

R. Chapman
W. R. Corey
R. Hellwig
J. Stapleton

F I L E

I telephoned Mr. George V. Agajennian this morning. He is Vice President/Manager of subject company. He put the call on an intercom bringing the following people into the conversation: H. E. Greenwalt, President (Chief Executive Officer), A. Kaufmann, Executive Vice President-Finance & Treasurer.

We discussed his letter of January 12 to Monsanto and I apologized for what must be a misunderstanding between our two companies as to the criteria needed for approval. We clarified this point and this seemed to relieve his mind considerably.

He did, however, ask us to write him specifically with regard to supplying the 4,862 gallons of askarel which is required for units for which they have already committed themselves. I advised him our policy was very firm and that we had made no shipments since January 15 to anyone who had not reached agreement with us. I told him agreements had been reached with six companies, representing 65% of our business, and that one of these was on the insurance basis rather than on the basis of net worth.

I also told him of the personal experience I've had recently with several of these companies with financial net worth below our criteria in obtaining $10M product liability insurance. I pointed out that several companies in his industry were using Employers' Mutual Liability Insurance Company of Wassau, Wisconsin. He stated that, at present, they did not have $10M coverage, and obviously did not meet our financial criteria. He indicated they would go to their customers to obtain hold harmless statements from them and I got the impression they may be considering finishing up on orders they have on hand...henceforth, only accepting business with hold harmless agreements from their customers.

Several times during the conversation he said did Monsanto feel we were on sound ground from an antitrust viewpoint and what was to prevent him from sueing us if we do not supply this remaining material. I replied saying we hoped

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they did not sue and that there were better ways of solving the problem to our mutual advantage.

I also explained the role of ANSI's Committee and the fact that industry guidelines must be adapted for proper handling, labeling, etc., of finished product.

In summary, they appreciated the phone call and the clarification. They are still emotionally upset about the orders they have on hand and do want a letter from us saying how we will handle this.

They also agree that they will talk to their insurance agent to see what can be done about increasing their product liability coverage.

I gave them Bob Chapman's name and telephone number and suggested they call if we could be of assistance to them in any way on the insurance matter.

H. S. BERGEN

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