

HELENA
CHEMICAL COMPANY
SUITE 2900-CLARK TOWER
5100 POPLAR AVENUE
MEMPHIS, TENNESSEE 38137

413.
Helen
PLAINTIFF'S EXHIBIT

SH-1788

RAYMOND A. GUIDI
Vice President
Manufacturing Engineering

December 27, 1973

Mr. M. S. Honig
Operations Representative - Formulations
Shell Chemical Company
2401 Crow Canyon Road
San Ramon, California 94583

LAM 027534

Dear Mort:

This is to confirm our telephone conversation of a few moments ago.

Please refer to Bob Ellis's memo of December 4, 1973 addressed to me. On November 26, 1973, a smoldering fire at the Des Moines Bladex® grinding facility resulted in the loss of 47,280 pounds of product. This material was in the various blenders and packaging hopper. In order to swiftly extinguish the fire, I ordered the plant manager to flood the entire system with water which was introduced through the water lines connected directly to these units. The water product slurry was washed over the floor and onto the railroad siding making it infeasible to recover the Bladex®. This decision was taken so as to avoid excessive loading of the equipment and structure which may have resulted in equipment damage. After the fire was extinguished and the equipment examined, minimal mechanical damage was found.

It is our opinion that the fire may have started in a mill possibly from tramp metal in the feed material; since the metal screens were torn.

Our investigation reveals no negligence on the part of Helena Chemical Company.

Since the materials furnished for our processing do not change title, Helena does not assume responsibility for same, and does not insure for this type of loss. We, therefore, look to Shell Chemical Company to assume responsibility for the loss incurred.

Yours very truly,

ABS-009789

[Signature]