PLAINTIFF'S EXHIBIT
JHMC-214

SALES DEPARTMENT INTER-OFFICE MEMO

DATE: December 22, 1959

SUBJECT: LAWSUIT INVOLVING CEMENT ASBESTOS PIPE - CIVIL ACTION # 14144

TO: ALL CAST IRON PIPE SALES REPRESENTATIVES

FROM: J. M. HOLLINGSWORTH

Pending receipt of the transcript of a court trial held in the Western District of Pennsylvania, we are passing on to you questions which were asked by the foreman of the jury and answered by the jury in a lawsuit between Johns-Manville Sales Corporation versus West Penn Engineering and Contracting Company and Ohio Casualty Insurance Company.

Johns-Manville was suing the contractor, who did not pay for Cement Asbestos pipe which he claimed was not suitable for the purpose for which it was sold. The job happened to be a large one involving both Cast Iron pipe and Cement Asbestos pipe at Center Township, Pennsylvania. Fifty per cent of the job was Cement Asbestos and fifty per cent was Cast Iron. In the A-C lines, there were over 165 breaks, whereas there were only 3 breaks in the Cast Iron portion.

The contractor withheld his last payment of $36,000.00 from Johns-Manville, for which Johns-Manville sued the contractor. The contractor in turn filed a countersuit for $68,000.00 against Johns-Manville; this sum included slightly over $25,000.00 which was for anticipated profits on other work which the contractor might have been able to take had he not been held up on finishing the Center Township job by the necessity of repairing breaks in Cement Asbestos pipe.

The case went to trial and a verdict was rendered on Friday, October 23, 1959. The judge informed the jury that the slightly over $25,000.00 in anticipated profits could not be considered and that the total amount they could consider was $44,183.13. The judge further charged the jury with the three questions (see attached), the answers to be "yes" or "no" and the decision to be derived from these questions.

As you will note from the answers to the questions, it was proven that the Asbestos Cement pipe was not suitable for the purpose for which it was intended and sold. The judgment as rendered by the jury is also attached.

Later, we will have a transcript of this case for each of you, as there are many interesting questions brought up during this trial and which were answered by Johns-Manville's

personnel, which prove that Cement Asbestos pipe is an inferior quality product to Cast Iron Pipe.

In the meantime, you are free to show this document to anyone, and we believe it will be a very useful tool in selling Cast Iron Pipe.

J. M. Hollingsworth

JMH/k

Copies to Messrs.:

B. J. Bohannan
I. R. Laughman
D. L. Balderach
M. R. Anderson
E. C. Speed
R. R. Reed
I. M. Fischer
J. D. Dillard
J. R. Barton
R. M. Sexton
G. C. Graves
W. T. Moreland
W. G. Whitsitt
B. C. Robertson

UNITED STATES DISTRICT COURT

FOR THE

WESTERN DISTRICT OF PENNSYLVANIA

CENTER TOWNSHIP WATER AUTHORITY Now to Use of JOHNS-MANVILLE SALES CORPORATION,	:	
Plaintiffs,	:	
vs.	:	Civil Action Number
WEST PENN ENGINEERING & CONTRACTING CO. and OHIO CASUALTY INSURANCE CO., a corporation,	:	14144
Defendants.	:	

AND NOW, TO WIT, this 23rd day of October, 1959, upon the basis of the answers of the jury to the interrogatories submitted to it and the stipulation of the parties as to interest, it is ORDERED that the Clerk enter judgment forthwith as follows:

1. Judgment for West Penn Engineering and Contracting Company and Ohio Casualty Insurance Company, the defendants, on the main claim asserted by the plaintiff Center Township Water Authority to the use of Johns-Manville Sales Corporation.

2. Judgment for the defendant West Penn Engineering and Contracting Company against the plaintiff Johns-Manville Sales Corporation in the amount of $ 8,156.76 plus interest at 6% per annum from July 1, 1955 to this date.

/s/ Edwin D. Steel, Jr.

D. J.

UNITED STATES DISTRICT COURT

FOR THE

WESTERN DISTRICT OF PENNSYLVANIA

CENTER TOWNSHIP WATER AUTHORITY Now to Use of JOHNS-MANVILLE SALES CORPORATION,	:	
Plaintiffs,	:	
vs.	:	Civil Action Number
WEST PENN ENGINEERING & CONTRACTING CO. and OHIO CASUALTY INSURANCE CO., a corporation,	:	14144
Defendants	:	

COPY OF VERDICT OF JURY RENDERED IN THE ABOVE ENTITLED MATTER ON OCTOBER 23, 1959

INTERROGATORIES

1. Was the pipe which Johns-Manville furnished to West Penn Engineering fit for the purpose for which it was intended - i. e., for use as an underground water pipe?

Yes___ No NO

If Question 1 is answered "yes", do not answer any other question. If Question 1 is answered "no", then you must answer Question 2.

2. Did West Penn Engineering suffer a financial loss as a result of the failure of Johns-Manville to furnish it with pipe fit for use as an underground water pipe?

YesYES No___

If Question 2 is answered "no", do not answer Question 3. If Question 2 is answered "yes", then you must answer Question 3.

3. What was the reasonable financial loss which West Penn Engineering suffered as a result of the failure of Johns-Manville to furnish West Penn Engineering with pipe fit for use as an underground water pipe?

$ 44,183.13

/s/ Richard A. McFeeley

Foreman

COPY FORM	INITIALS	DATE
	CSP	10-19-99

BOX NUMBER	SEGMENT NO.	REQUESTING PARTY
04-1913		B+B

NOTES