

# KELLY-MOORE MEMO

TO WILLIAM E. MOORE FROM DOUG MERRILL DATE 10/17/82

SUBJECT REVIEW OF "ANALYSIS OF ASBESTOS-RELATED CLAIM OF KELLY-MOORE PAINT COMPANY, INC."

The following are my comments on my review of the attached analysis:

1. The "analysis" erroneously reports that our products (texture) have an exposure risk during spray application. See pages 20 and 32. Our texture, especially ceiling texture, has been associated with fire-retardant insulation that was sprayed on dry.

2. The 10% (add on) factor for general population risk (see page 5) may be high, even including K-M employee risk (see page 35).

3. The 15.7% figure for residential construction worker out of all construction workers is high in that there is no exclusion of workers such as electricians, roofers, etc., who would not normally be exposed to our products during mixing and sanding. (See page 61.)

4. As you pointed out, figures for workers in some states were used for periods of time that we did not market in those states. I do not know the years (if any) that we sold asbestos products in Tennessee and Wyoming; therefore, I was unable to recalculate the number of workers. Also, an adjustment to number 3. above should be discussed first. I will try to reach Bill Freeman to determine sales into Tennessee and Wyoming.

5. In the projections of excess manifestations, an age group was used beginning in 1982, for ages under 20 years old. This would mean that this group would be under 16 in 1978, the year that we completely eliminated the use of asbestos. I even question the next age group, 20-24, since it is higher in manifestations than all remaining groups. This group would have had the benefit of reduced asbestos content, and a better education as to the use of respirators.

Doug Merrill pm

Doug Merrill:pm

Attachments

cc: Svend Stubb

Broken Arrow sold to Cresliller (Dealer) in Memphis, Tenn & Ward (Contractor) in Nashville, Tenn from 1970. Sold Drywall specialties, Memphis from 1975. Sold To Sherwin-Williams occasionally —

Denver sold to Wyoming.

REED DECORATIVE PRODUCTS, INC.

Construction Employees

Determination of Residential
Portion of All Construction Employees

| Category | All Employees | All Construction Workers | Number With Residential Exposure |
|---|---|---|---|
| General Contractors | 1,180,747 (27.9%) | 963,362 (22.8%) | 428,513 (10.1%) |
| Heavy Construction | 917,083 (21.7%) | 757,465 (17.9%) | 0 (0) |
| Special Trade Contractors | 2,135,828 (50.4%) | 1,827,124 (43.2%) | 234,625 (5.5%) |
| Total - All Employees | 4,233,658 (100%) | 3,547,951 (83.8%) | 663,138 (15.7%) |

EXHIBIT B
SHEET 1

REED DECORATIVE PRODUCTS

ASBESTOS LITIGATION MODEL

POPULATION AT RISK
BY CALENDAR YEAR OF ENTRY

CONSTRUCTION WORKERS

| Calendar Year (1) | Exposed Construction Workers(A) (2) | Total Residential-Selected States(B) (3) | Total-Country-wide (4) | Ratio of K-M Exposed Workers To Total Workers (5) = (3)/(4) |
|---|---|---|---|---|
| 1957 | | | | |
| 1958 | ~~738,300~~ 288,700 | ~~17387~~ 6752 | | ~~.00072~~ .0002 |
| 1959 | ~~792,900~~ 308,400 | ~~18673~~ 7263 | 24,165,000 | ~~.00077~~ .0003 |
| 1960 | 788,200 | 18562 | | .00069 |
| 1961 | 798,000 | 18793 | | .00070 |
| 1962 | 820,400 | 19320 | | .00072 |
| 1963 | 851,000 | 20041 | | .00075 |
| 1964 | 867,400 | 20427 | 26,764,000 | .00076 |
| 1965 | 872,400 | 20545 | | .00077 |
| 1966 | 882,400 | 20781 | | .00077 |
| 1967 | 845,200 | 19904 | | .00074 |
| 1968 | 887,800 | 34846 | | .00130 |
| 1969 | 937,600 | 36801 | | .00138 |
| 1970 | 921,000 | 36149 | | .00115 |
| 1971 | 951,200 | 37335 | | .00118 |
| 1972 | 1,036,400 | 40679 | | .00129 |
| 1973 | 1,129,100 | 44317 | | .00141 |
| 1974 | 1,133,200 | 44478 | 31,529,000 | .00141 |
| 1975 | 1,044,400 | 40993 | | .00130 |
| 1976 | 1,099,300 | 43148 | | .00137 |
| 1977 | 1,225,300 | 48093 | | .00153 |
| 1978 | 1,391,700 | 54624 | | .00173 |
| 1979 | 1,523,500 | 0 | | .0 |

? includes more than drywall workers

(A) From Page 36 of the report
(B) Col. (3) = Col. (2) x .157 x .15 from 1958-1967; = Col (2) x .157 x .25 from 1968-1978.

KMX 02145

EXHIBIT B
SHEET 2

REED DECORATIVE PRODUCTS

ASBESTOS LITIGATION MODEL

POPULATION AT RISK
BY CALENDAR YEAR OF ENTRY

| Calendar Year (1) | Ratio of K-M Exposed Workers to Total Workers (2) | Selikoff's Number of New Entrants (3) | Estimated Number of New Entrants by Cal. Year of Entry (4) = (2) x (3) |
|---|---|---|---|
| 1957 | | | ~~17304.4~~ |
| 1958 | ~~.00072~~ .00028 | ↑ | ~~1044.7~~ 406.6 |
| 1959 | ~~.00077~~ .00030 | 1,452,000 | ~~1122.0~~ 435.6 |
| 1960 | .00069 | ↑ | 1294.2 |
| 1961 | .00070 | | 1310.3 |
| 1962 | .00072 | | 1347.0 |
| 1963 | .00075 | | 1397.3 |
| 1964 | .00076 | 1,866,000 | 1424.2 |
| 1965 | .00077 | | 1432.4 |
| 1966 | .00077 | | 1448.8 |
| 1967 | .00074 | | 1387.7 |
| 1968 | .00130 | | 2429.5 |
| 1969 | .00138 | ↓ | 2565.8 |
| 1970 | .00115 | ↑ | 2264.4 |
| 1971 | .00118 | | 2338.7 |
| 1972 | .00129 | | 2548.1 |
| 1973 | .00141 | | 2776.1 |
| 1974 | .00141 | 1,925,000 | 2786.1 |
| 1975 | .00130 | | 2567.8 |
| 1976 | .00137 | | 2702.8 |
| 1977 | .00153 | | 3012.6 |
| 1978 | .00173 | ↓ | 3421.7 |
| 1979 | .0 | | .0 |

Figures in Column (2) are rounded; unrounded figures are used to calculate Column (4).

KMX 02146

REED DECORATIVE PRODUCTS

ASBESTOS LITIGATION MODEL

SECTION II
EXHIBIT IV
SHEET 16

DISPLAY OF EXPECTED MANIFESTATIONS
BY CALENDAR YEAR

ALL AGE GROUPS

| CAL. YEAR | EXCESS CANCER MANIFESTATIONS: RESPIR-ATORY | ALL OTHER | MESO-THELIOMA | TOTAL EXCESS |
|---|---|---|---|---|
| 1982 | 1.91 | 0.33 | 0.47 | 2.71 |
| 1983 | 2.13 | 0.36 | 0.55 | 3.05 |
| 1984 | 2.37 | 0.40 | 0.65 | 3.43 |
| 1985 | 2.62 | 0.44 | 0.77 | 3.82 |
| 1986 | 2.88 | 0.47 | 0.89 | 4.24 |
| 1987 | 3.13 | 0.51 | 1.03 | 4.67 |
| 1988 | 3.39 | 0.54 | 1.19 | 5.12 |
| 1989 | 3.88 | 0.61 | 1.36 | 5.85 |
| 1990 | 4.73 | 0.72 | 1.55 | 7.00 |
| 1991 | 5.97 | 0.88 | 1.76 | 8.62 |
| 1992 | 6.90 | 1.00 | 1.99 | 9.89 |
| 1993 | 7.26 | 1.04 | 2.23 | 10.53 |
| 1994 | 7.62 | 1.09 | 2.49 | 11.20 |
| 1995 | 7.97 | 1.12 | 2.77 | 11.86 |
| 1996 | 8.29 | 1.16 | 3.07 | 12.52 |
| 1997 | 8.58 | 1.19 | 3.39 | 13.15 |
| 1998 | 8.80 | 1.21 | 3.72 | 13.73 |
| 1999 | 8.96 | 1.28 | 4.06 | 14.31 |
| 2000 | 9.07 | 1.43 | 4.40 | 14.90 |
| 2001 | 9.18 | 1.66 | 4.69 | 15.53 |
| 2002 | 9.34 | 1.83 | 4.87 | 16.03 |
| 2003 | 9.45 | 1.87 | 5.07 | 16.39 |
| 2004 | 9.44 | 1.89 | 5.27 | 16.60 |
| 2005 | 9.38 | 1.91 | 5.45 | 16.74 |
| 2006 | 9.27 | 1.91 | 5.62 | 16.80 |
| 2007 | 9.06 | 1.91 | 5.77 | 16.74 |
| 2008 | 8.77 | 1.89 | 5.91 | 16.56 |
| 2009 | 8.45 | 1.85 | 6.02 | 16.33 |
| 2010 | 8.14 | 1.81 | 6.12 | 16.07 |
| 2011 | 7.80 | 1.78 | 6.18 | 15.77 |
| 2012 | 7.37 | 1.76 | 6.22 | 15.34 |
| 2013 | 6.74 | 1.72 | 6.19 | 14.66 |
| 2014 | 6.03 | 1.67 | 6.13 | 13.82 |
| 2015 | 5.36 | 1.61 | 6.01 | 12.98 |
| 2016 | 4.74 | 1.55 | 5.85 | 12.15 |
| 2017 | 4.18 | 1.48 | 5.65 | 11.31 |
| 2018 | 3.67 | 1.40 | 5.42 | 10.48 |
| 2019 | 3.19 | 1.32 | 5.15 | 9.67 |
| 2020 | 2.76 | 1.25 | 4.86 | 8.87 |
| 2021 | 2.37 | 1.18 | 4.53 | 8.08 |
| 2022 | 2.02 | 1.10 | 4.17 | 7.29 |
| 2023 | 1.71 | 0.97 | 3.79 | 6.48 |
| 2024 | 1.45 | 0.82 | 3.45 | 5.73 |
| 2025 | 1.22 | 0.69 | 3.12 | 5.03 |
| 2026+ | 5.23 | 2.96 | 20.40 | 28.58 |
| TOTAL | 262.77 | 57.60 | 190.28 | 510.65 |
| | | | | 127.67 |
| | | | | 382.98 |

Less Age Group Under 20 in 1962 (16 in 1976)

REED DECORATIVE PRODUCTS

ASBESTOS LITIGATION MODEL

SECTION II
EXHIBIT IV
SHEET 10

DISPLAY OF EXPECTED MANIFESTATIONS
BY CALENDAR YEAR

AGE GROUP: 20-24 16-20 in 1978

| CAL. YEAR | EXCESS CANCER MANIFESTATIONS: RESPIR-ATORY | ALL OTHER | MESO-THELIOMA | TOTAL EXCESS |
|---|---|---|---|---|
| 1982 | 0.37 | 0.07 | 0.10 | 0.55 |
| 1983 | 0.45 | 0.08 | 0.13 | 0.66 |
| 1984 | 0.54 | 0.10 | 0.15 | 0.79 |
| 1985 | 0.63 | 0.11 | 0.19 | 0.92 |
| 1986 | 0.73 | 0.12 | 0.22 | 1.07 |
| 1987 | 0.83 | 0.14 | 0.26 | 1.23 |
| 1988 | 0.93 | 0.15 | 0.31 | 1.39 |
| 1989 | 1.08 | 0.17 | 0.37 | 1.62 |
| 1990 | 1.32 | 0.20 | 0.43 | 1.95 |
| 1991 | 1.66 | 0.25 | 0.50 | 2.41 |
| 1992 | 1.97 | 0.29 | 0.58 | 2.83 |
| 1993 | 2.17 | 0.31 | 0.66 | 3.15 |
| 1994 | 2.38 | 0.34 | 0.76 | 3.48 |
| 1995 | 2.58 | 0.36 | 0.86 | 3.80 |
| 1996 | 2.76 | 0.39 | 0.98 | 4.13 |
| 1997 | 2.93 | 0.41 | 1.11 | 4.44 |
| 1998 | 3.08 | 0.42 | 1.24 | 4.74 |
| 1999 | 3.20 | 0.45 | 1.39 | 5.04 |
| 2000 | 3.30 | 0.51 | 1.54 | 5.35 |
| 2001 | 3.40 | 0.59 | 1.68 | 5.67 |
| 2002 | 3.51 | 0.66 | 1.79 | 5.96 |
| 2003 | 3.60 | 0.69 | 1.90 | 6.20 |
| 2004 | 3.64 | 0.72 | 2.01 | 6.38 |
| 2005 | 3.66 | 0.75 | 2.12 | 6.53 |
| 2006 | 3.65 | 0.76 | 2.22 | 6.64 |
| 2007 | 3.61 | 0.78 | 2.32 | 6.70 |
| 2008 | 3.53 | 0.78 | 2.40 | 6.72 |
| 2009 | 3.45 | 0.78 | 2.48 | 6.71 |
| 2010 | 3.36 | 0.77 | 2.55 | 6.68 |
| 2011 | 3.26 | 0.77 | 2.61 | 6.64 |
| 2012 | 3.11 | 0.77 | 2.65 | 6.53 |
| 2013 | 2.88 | 0.76 | 2.67 | 6.31 |
| 2014 | 2.61 | 0.74 | 2.67 | 6.01 |
| 2015 | 2.35 | 0.72 | 2.64 | 5.71 |
| 2016 | 2.10 | 0.70 | 2.60 | 5.40 |
| 2017 | 1.87 | 0.67 | 2.53 | 5.08 |
| 2018 | 1.66 | 0.64 | 2.45 | 4.75 |
| 2019 | 1.46 | 0.61 | 2.35 | 4.42 |
| 2020 | 1.28 | 0.58 | 2.23 | 4.10 |
| 2021 | 1.11 | 0.56 | 2.10 | 3.76 |
| 2022 | 0.95 | 0.52 | 1.95 | 3.42 |
| 2023 | 0.82 | 0.46 | 1.79 | 3.07 |
| 2024 | 0.70 | 0.40 | 1.64 | 2.74 |
| 2025 | 0.59 | 0.34 | 1.50 | 2.43 |
| 2026+ | 2.57 | 1.46 | 9.91 | 13.94 |
| TOTAL | 97.63 | 22.86 | 77.52 | 198.01 |

KMX 02148

REED DECORATIVE PRODUCTS

ASBESTOS LITIGATION MODEL

CONSTRUCTION WORKERS -- ALL EMPLOYEES
(000'S)

| CAL. YEAR | ARIZONA | ARK. | CALIF. | COLO. | HAWAII | KANSAS | OKLA. | OREGON | TENN. | TEXAS | UTAH | WASH. | WYOMING | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1955 | 19.4 | 16.2 | 283.9 | 28.8 | 0.0 | 37.4 | 30.9 | 22.6 | 48.3 | 159.1 | 14.3 | 47.1 | 6.2 | 714.2 |
| 1956 | 20.9 | 15.7 | 302.3 | 31.4 | 0.0 | 37.1 | 29.9 | 24.8 | 45.9 | 163.1 | 15.6 | 45.7 | 6.8 | 739.2 |
| 1957 | 23.3 | 18.8 | 287.5 | 35.1 | 0.0 | 32.8 | 30.7 | 23.1 | 44.1 | 164.3 | 14.8 | 45.1 | 7.2 | 726.8 |
| 1958 | 26.6 | 17.9 | 286.7 | 35.1 | 12.7 | 35.8 | 31.7 | 23.9 | 42.2 | 158.8 | 14.9 | 44.0 | 8.0 | 738.3 |
| 1959 | 28.8 | 19.9 | 308.4 | 34.7 | 15.1 | 36.3 | 35.4 | 25.6 | 47.6 | 170.1 | 15.7 | 45.9 | 9.4 | 792.9 |
| 1960 | 31.6 | 24.4 | 294.8 | 34.6 | 17.6 | 33.8 | 35.8 | 26.1 | 48.5 | 170.8 | 14.9 | 44.6 | 10.7 | 788.2 |
| 1961 | 31.3 | 26.9 | 294.4 | 38.4 | 17.2 | 35.4 | 35.1 | 24.5 | 49.4 | 174.7 | 15.6 | 45.6 | 9.5 | 798.0 |
| 1962 | 30.9 | 29.6 | 307.7 | 36.8 | 15.1 | 36.5 | 36.1 | 26.1 | 51.3 | 178.9 | 17.8 | 44.8 | 8.8 | 820.4 |
| 1963 | 28.3 | 32.7 | 329.0 | 38.0 | 15.1 | 33.5 | 38.2 | 29.2 | 54.0 | 182.4 | 17.5 | 43.6 | 9.5 | 851.0 |
| 1964 | 27.8 | 32.5 | 340.4 | 38.2 | 16.3 | 31.2 | 37.0 | 29.8 | 56.2 | 191.0 | 17.0 | 41.0 | 9.0 | 867.4 |
| 1965 | 23.0 | 35.4 | 323.7 | 38.2 | 17.9 | 33.1 | 37.0 | 33.4 | 60.4 | 199.8 | 16.0 | 47.2 | 7.3 | 872.4 |
| 1966 | 24.3 | 38.4 | 305.6 | 37.2 | 19.0 | 32.2 | 35.8 | 33.0 | 65.4 | 213.5 | 15.5 | 55.9 | 6.6 | 882.4 |
| 1967 | 23.7 | 37.8 | 275.2 | 35.4 | 16.9 | 30.9 | 33.9 | 30.2 | 65.4 | 218.3 | 13.4 | 57.9 | 6.2 | 845.2 |
| 1968 | 26.8 | 36.3 | 290.7 | 37.9 | 18.9 | 34.0 | 36.0 | 31.1 | 66.7 | 227.9 | 13.7 | 60.9 | 6.9 | 887.8 |
| 1969 | 33.5 | 35.2 | 310.6 | 39.3 | 23.0 | 34.0 | 38.2 | 32.3 | 68.9 | 242.2 | 14.0 | 59.9 | 6.5 | 937.6 |
| 1970 | 37.1 | 31.2 | 303.0 | 42.4 | 25.7 | 31.9 | 38.9 | 29.5 | 65.3 | 238.6 | 14.7 | 55.8 | 6.9 | 921.0 |
| 1971 | 45.3 | 33.0 | 301.5 | 49.6 | 23.4 | 31.1 | 40.3 | 31.7 | 70.4 | 243.2 | 17.2 | 56.7 | 7.8 | 951.2 |
| 1972 | 57.5 | 34.6 | 320.7 | 62.8 | 23.6 | 33.6 | 44.1 | 36.8 | 78.6 | 259.3 | 21.0 | 54.6 | 9.2 | 1036.4 |
| 1973 | 65.7 | 33.9 | 344.8 | 73.0 | 26.6 | 35.9 | 47.4 | 39.0 | 86.1 | 283.2 | 23.8 | 58.1 | 11.6 | 1129. |
| 1974 | 58.3 | 35.6 | 334.0 | 65.4 | 27.9 | 38.9 | 49.5 | 39.0 | 87.8 | 301.4 | 24.3 | 57.1 | 14.0 | 1133. |
| 1975 | 43.8 | 33.5 | 303.3 | 53.4 | 26.3 | 38.8 | 45.9 | 35.3 | 76.0 | 290.0 | 24.3 | 59.5 | 14.3 | 1044.4 |
| 1976 | 41.5 | 34.5 | 317.6 | 55.1 | 21.4 | 42.5 | 46.1 | 36.6 | 73.8 | 320.4 | 27.9 | 67.0 | 14.9 | 1099.3 |
| 1977 | 52.2 | 37.2 | 366.1 | 61.8 | 19.7 | 45.6 | 49.5 | 42.6 | 78.4 | 345.8 | 31.8 | 77.6 | 17.0 | 1225.3 |
| 1978 | 71.0 | 39.9 | 417.5 | 72.6 | 20.7 | 48.1 | 57.3 | 48.8 | 87.3 | 381.8 | 34.7 | 92.7 | 19.3 | 1391.7 |
| 1979 | 86.5 | 41.9 | 463.3 | 80.2 | 23.4 | 49.9 | 59.1 | 53.0 | 89.2 | 416.2 | 35.6 | 104.4 | 20.8 | 1523.5 |
| 1980 | 75.2 | 37.7 | 431.3 | 77.0 | 23.9 | 46.4 | 57.6 | 45.7 | 81.2 | 428.2 | 31.5 | 91.0 | 20.1 | 1446.8 |

Tillinghast, Nelson & Warren



KMX 02154

10-17

Pat

Would you type this
first thing (or have Iris)
and exchange the
type copy for the
hand written one in
Mr. Moore's in-box.

A copy for Svend
& ~~two~~ three for me.

Doug

Thanks

TO: W.E. Moore FROM: Doug Merrill 10-17-82

SUBJECT: REVIEW OF "ANALYSIS OF ASBESTOS-RELATED CLAIM LIABILITY OF K.M. Paint Co."

The following are my comments on my review of the attached analysis:

1. The "analysis" erroneously reports that our products (Texture) has an exposure risk during spray application. See pages 20 and 32. Our texture, espesially Ceiling Texture, has been associated with fire-redardant insulation that was sprayed on dry.

KMX 02149

2. The 10% (add on) factor for general population risk (see page 5) may be high even including K.M. employee risk (see page 35)

3. The 15.7 % figure for residential construction workor out of all construction workers is high in that there is no excusion of workers such as electricians, roofers, etc. that would not normally be exposed to our

products during mixing and sanding. See pg. 61.

4. As you pointed out, figures for workers in some states, were used for periods of time that we did not market in those states. I do not know the years (if any) that we sold asbestos products in Tenn. and Wyoming. Therefore, I was unable to recalculate the number of workers. Also an adjustment to number 3. above should be discussed first. I will try to reach Bill Freeman to determine sales into Tenn. and Wyoming.

5. In the projections of excess manifestations, an age group was used begining in 1982 for ages under 20 yrs old. This would mean that this group would be under 16 in 1978, the year that we completely elliminated the use of asbestos. I even question the next age group, 20-24, since it is higher in manifestations then all remaining groups. This group would have had the benefit of reduced asbestos content and a better education as to the use of respirators.

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1. The "analysis" erroneously reports that our products (texture) have an exposure risk during spray application. See pages 20 and 32. Our texture, especially ceiling texture, has been associated with fire-retardant insulation that was sprayed on dry.

2. The 10% (add on) factor for general population risk (see page 5) may be high, even including K-M employee risk (see page 35).

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Attachments

cc: Svend Stubb

KMX 02152