

Received by regular mail at 9:15 AM 4-5-74

WILLIAM JAYNE
STEPHEN H. MILLER

LAW OFFICES
JAYNE & MILLER
MEDICAL DENTAL BUILDING
P. O. BOX 186
REEDSPORT, OREGON 97467
271-2231

April 2, 1974

N. L. Industries, Inc.
c/o C. T. Corporation System
800 Pacific Building
Portland, Oregon 97201

RE: Account No. 030101-0195416 - Western Auto Assoc.
451 Fir Avenue, Reedsport, Oregon 97467
John D. Heronemus

Dear Sirs:

Please be advised that I have been retained by Mr. Heronemus to represent him on a matter concerning franchise contract between himself and N. L. Industries, Inc., formerly National Lead Company under which he agreed to purchase Dutch Boy Paints from said N. L. Industries, Inc.

It is Mr. Heronemus' position that N. L. Industries, Inc. has violated and breached said franchise agreement by placing Dutch Boy Paints with the PayLess Drug Store in Coos Bay and in North Bend and allowing said outlet to sell Dutch Boy at a price less than dealer's cost to Mr. Heronemus.

Due to the type of advertising done by PayLess Drug Stores and by the lack of cooperation of N. L. Industries, Inc., by trying to undercut the market in Reedsport, which is understandably greatly affected by the North Bend-Coos Bay area marketing practice, Mr. Heronemus treats this breach as a material one and request your instructions as to where the remaining stock in his store should be sent for credit on his outstanding bill, a copy of which is enclosed.

N 27462

N. L. Industries, Inc.

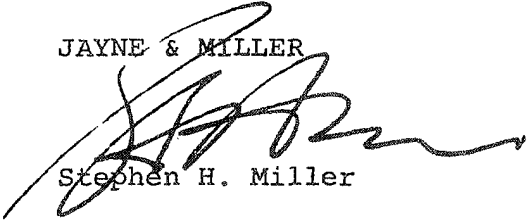
- 2 -

April 2, 1974

We await your reply in the near future.

Yours truly,

JAYNE & MILLER



Stephen H. Miller

SHM:ks

NL 000041841

NL INDUSTRIES

Dutch Boy Paints

02/25/74

030101-0195416

WESTERN AUTO ASSOC
451 FIR AVE
REEDSPORT OR 97467

489 | 90

[illegible]

48990

NL INDUSTRIES, INC.

N 27462.01

LAW OFFICES
STULTS, JAYNE, MURPHY & ANDERSON
P. O. BOX 166
REEDSPORT, OREGON 97467



N. L. Industries, Inc.
c/o C. T. Corporation System
800 Pacific Building
PORTLAND, OREGON 97201

N 27462.02

NL 000041843

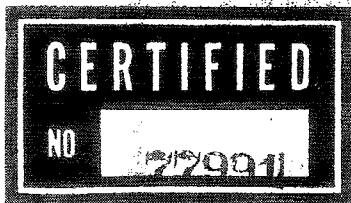
FORM 11-71 108

C T CORPORATION SYSTEM



277 PARK AVENUE, NEW YORK, N.Y. 10017

RETURN RECEIPT REQUESTED



CERTIFIED MAIL

T. P. Malick, Csl.
N E Industries, Inc.
111 Broadway
New York, N.Y. 10006

N 27462.03

NL 000041