MINUTES OF THE ANNUAL MEMBERSHIP MEETING

OF THE

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

Tuesday and Wednesday, June 12 and 13, 1990

Indian River Plantation Resort & Conference Center

Stuart, Florida

ACTIVE MEMBERS PRESENT	REPRESENTATIVES
Abex Corporation	Robert E. Nelson
Allied Aftermarket Div. Allied Signal	Steve Zinno (Proxy, S. Stokes)
Brake Parts Inc., Div. Echlin	Donald J. Delvy
Certified Brakes Div. Allied Signal	Lawrence S. Mintman, Vice President
Delco Moraine NDH	Donald L. Emrick
Friction Materials Co.	Larry Belans, Treasurer
HKM of California	Ronald Randall
Heavy Duty Friction Group Div. Echlin	Patrick Healey (6/12)
Motion Control Ind., Div. Carlisle Corp.	William F. Wood
Ferodo America, Inc.	Rita Grisham
Raymark Friction Company	Doreen Tomao
Reddaway Manufacturing Co.	F. William Barton
Ultra Brake, Inc.	Ron Tygar
Wheeling Brake Block	Lee Burgess

ACTIVE MEMBERS - PROXIES TENDERED	PROXY FROM
Coan Equipment (To G. N. Laycock)	D. Ted Shumate
Friction Division Prod. (To G. N. Laycock)	Philip H. Dougherty
Scan Pac Manufacturing (To G. N. Laycock)	Henry A. Scandrett
U.S. Automotive Mfg. (To G. N. Laycock)	Gary L. Roos
Wagner Brake Division, Cooper Ind. (to G. N. Laycock)	Thomas R. Rokos
S K Wellman Corp. (To G. N. Laycock)	Fred A. Kowalcyk

OTHERS PRESENT	
Capital Tool & Design Ltd.	Ray Arbesman (6/12)
Fibro Friction, Inc.	Joseph Nir
Frictiontech Inc.	Robert Beaupre
Frictiontech Inc.	Andy Gagnon
Heavy Duty Friction Group Div. Echlin	Edward Kaufman
HKM of California	W. Max Sleeth, President
HKM of California	Steve Sleeth (6/12)
ITT Parts Supply Div.	Douglas Willsie
Michigan Automotive Products	Ronald R. Moalli
Motion Control Ind. Div. Carlisle Corp.	Roy Huckaby (6/12)
Sachs Automotive Ltda.	William Vernier, Jr.
Total Brake Industries, Ltd.	Tom Kennedy
Total Brake Industries, Ltd.	Alex Tabori
Payne Morehouse Shafer & Harlow, Counsellors at Law	Thomas P. Weldy
Friction Materials Standards Institute	Gilbert N. Laycock, Secretary

Mr. Sleeth, President, called the meeting to order at 1:35 P.M., June 12, 1990. As the first order of business, the President called for a roll call.

MINUTES OF PREVIOUS MEETING

The Secretary advised that minutes of the Membership Meeting of June 20-21, 1989 had been distributed. The President suggested that a reading of the minutes be dispensed with, as no corrections had been suggested.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the minutes of the Membership Meeting of June 20-21, 1989 as written.

PRESIDENT'S REPORT

M. Sleeth, President, delivered his report. Please refer to EXHIBIT 1 in the report booklet.

Mr. Sleeth reviewed some of the events of the past year such as the move of the Institute office from Paramus, NJ to Monroe, CT, the sub-lease of the Paramus, NJ office and the Institute's purchase of a computer. He welcomed the chairpersons of the Technical Committees. Also were noted some of the agenda items to be covered during the meeting; Rivet Pattern Sub-Committee and Historical Sales - 10 Year Summary Report. Mr. Sleeth commented that the budget seems to be in good shape and wished to thank everyone who has helped the Institute during his past two years as President.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the President's Report as written.

REPORT ON BOARD OF DIRECTORS ACTIVITIES

The Secretary reported on activities of the Board of Directors during this past fiscal year. As a portion of the activity is at the Board Meeting immediately preceding the Membership Meeting, there is no written report.

During this past fiscal year the Board of Directors approved Active Membership applications which were then voted on by the full Membership. They also, approved three Regional Membership applications and the termination of one Regional Membership and one Licensee Membership. These are detailed in the Membership Committee Report. Additionally, the Board of Directors voted to distribute an Historical Sales - 10 Year Summary to those Members participating in the Historical Sales Program.

The foregoing covers work done by the Board up to the meeting at Indian River Plantation. Additional work was done at the regular Board meeting held on June 11, 1990.

The Board of Directors decided to investigate a revision of the Constitution to redefine the Active Membership status to include U.S. and Canadian manufacturers. Concurrently the Board also will investigate increasing the number of Directors from seven (7) to nine (9). The Board considered an award to the company and/or individual who have contributed information or assistance to the Institute. The Board recommended that a feasibility study be initiated to consider the addition of hardware for disc plates to the Automotive Data Book. The Board voted to abolish the Rivet Pattern Sub-Committee based on two factors; a legal opinion concerning the potential liability if the Institute recommends rivet patterns for disc plates which were original equipment integrally molded and the Institute Constitution Article II Section D which states:

> "The object of the Institute shall be to collect, assemble and disseminate to the members of said industry, scientific, engineering, technological, statistical and other relevant information pertaining to brake linings and clutch facings and pertaining to said industry."

The Board of Directors voted to continue to collect, assemble and disseminate all rivet patterns for I.M. plates without recommendation to any Member who requests this information. The Board recommended South Lake Tahoe for next years meeting.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the report on the Board of Director's Activities as read.

MEMBERSHIP COMMITTEE

Ms. Rita Grisham, Chairperson of the Membership Committee, presented this report. Please refer to EXHIBIT 2 in the report booklet.

Ms. Grisham noted that the Institute now has 84 affiliates up from 78 in June 1989, with Active Members increasing from 22 to 25, Regional Members increasing from 34 to 38 and Licensee Members decreasing from 22 to 21. The report details the specific Membership additions and losses.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the Membership Committee Report as written.

TREASURER'S REPORT

Mr. Larry Belans, Treasurer, read this report. Please refer to EXHIBIT 3 in the report booklet.

The report projected an excess of income over expenses of about $10,200. There were some variances from budget, both favorable and unfavorable. The two areas which impacted the balance sheet most favorably were an increase in income from Members Dues due to additions of new Members and a delay in the move of the Institute office which impacted rent expense. The rent income from the sub-lease of the Paramus office is projected to have a favorable impact on the balance sheet but as detailed elsewhere in the minutes may not.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the Treasurer's Report as written.

Update on the Status of the Paramus Office

As of January, 8, 1990, the office was rented. The Institute received a signed lease, two months security deposit and the first 1/2 months rent. By March the tenant (Progressive Financial Services Inc.) was getting behind in the rent payments. On March 21 a reminder of past due rent was sent. On March 29, based on other information concerning the tenant the rent collection was turned over to Mr. Richard LeBlancq of Harwood Lloyd, Counsellors at Law, Hackensack, NJ. A court date of April 27 was set for complaint to be heard. On April 26 a check was delivered to Harwood Lloyd from the tenant and the court date was canceled. After receiving the check it was deposited and returned because the account was closed. A second court date was made for May 31, 1990 to hear the complaint, during which a judgment of possession was issued on behalf of FMSI. The warrant of eviction was to be served by the Sheriff on June 5, 1990. However, due to a backlog of paperwork in the court it had not been served as of Friday, June 8, 1990.

BRAKE PERFORMANCE STUDY COMMITTEE REPORT

Mr. Bill Wood, Chairman, delivered the Brake Performance Study Committee Report. Please refer to EXHIBIT 7 in the report booklet.

Mr. Wood reviewed the two SAE recommended practices (SAE J1801 & SAE J1802) with which the Brake Performance Study Committee has been involved. He advised that both procedures are still being reviewed and tested. He reported on the cost information which the Institute obtained from Members for slotting per SAE J1801 and embossing as recommended by the BPSC of FMSI.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the Brake Performance Study Committee Report as written.

INVESTMENT ADVISORY COMMITTEE REPORT

Mr. Ron Randall, read the Investment Advisory Committee report. Please refer to EXHIBIT 4 in the report booklet.

Mr. Randall advised that total investment assets at June 30, 1990 were projected at about $256,000 versus $255,000 at June 30, 1989. Holdings in Money Market Funds were higher than normal. A meeting was schedule with Merrill Lynch after the report was written to move Money Market Funds back into Treasury Notes. The difference in yields between Money Market Funds and Treasury Notes was minimal.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the report of the Investment Advisory Committee as written.

BUDGET COMMITTEE

Mr. Larry Belans, Chairman, presented the Budget Committee Report. Please refer to EXHIBIT 5 in the report booklet.

The Committee proposed an Expense Budget of $153,940 for the 1990-91 fiscal year. This is less than a 2% increase over the expensed budget for the year now ending. Although the total budget figure is comparable to the previous year there are changes in certain items - eg: Salaries increased by $4,000 due to change in personnel, net rent decreased by $6,500 which may be optimistic due to rent collection difficulties. Pension expense increased by $5,550. Other items showed less significant variations.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the Budget Committee Report.

FEE FORMULA COMMITTEE REPORT

Mr. R. E. Nelson, Chairman of the Fee Formula Committee, presented his committee's report. Please refer to EXHIBIT 6 in the report booklet.

Mr. Nelson noted that the formula for billing was restructured in 1987 and reviewed the structure for all types of Membership. The Income Projection combined with the Investment Income Projected to $7,600 over the proposed budget.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the Fee Formula Committee report as written.

Mr. Nelson noted that the Institute has been extremely fortunate to have been able to maintain the same fee structure over the last 4 years since the formula was last restructured.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That effective July 1, 1990 the annual dues for Active Members and Regional Members with Active Member rights would be the total of a basic fee of $1,600, and a charge for participation in each of the following categories: Disc brake linings; Drum brake linings; Brake Blocks; Clutch facings. The charge would be $250 each for the first and second categories, and an additional $500 each for the third and fourth category. (One category $1,850; Two categories $2,100; Three categories $2,600; Four categories $3,100).

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That effective July 1, 1990 the annual fee for Regional Members (Regular) would be $1,600; Regional Member (Association) $2,600; Licensee: $600.

ANNUAL MEETING COMMITTEE REPORT

Mr. Mintman gave this report. However, he decided not to read the formal report prepared by Mr. Stokes, (Exhibit 12 in the report booklet) because the Board of Directors had decided that the South Lake Tahoe area offered more activities than the North Lake Tahoe Hyatt at Incline Village. No contacts had been made with hotels in South Lake Tahoe so a specific hotel could not be given. However, Ron Randall will gather information on space availability so that room blocks can be made as soon as possible.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the Annual Meeting Committee Report as presented.

INSTITUTE PENSION PLANS

The Secretary reported on the Institute Pension Plans. Please refer to EXHIBIT 10 in the report booklet.

There are two plans: (1) the Simplified Employee Pension Plan (SEP) for current employees, and (2) the trust established for Harriet G. Duschek which was funded by an Institute contribution of $55,000 in 1980.

The SEP calls for 15% of eligible employee salaries to be contributed to an employee's IRA. The Duschek Trust pays Miss Duschek $550 monthly, with assets as of December 31, 1989 of $43,373. It was noted that with an initial contribution of $55,000 in 1980, the trust has paid Miss Duschek $66,000 through December 1989 and still has 78% of the principal remaining.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the report on Institute Pension Plans as written.

DATA BOOK AND TECHNICAL COMMITTEE REPORT

Mr. Doug Willsie, Chairman, presented this report. Please refer to EXHIBIT 8 in the report booklet.

Mr. Willsie noted the roster revisions of the Committee during the past year and presented the current roster of the Committee. He noted that a meeting had not been held during the past year. He detailed the additions made after the 1989 Supplement which are in the 1990 Automotive Data Book in four lining categories and two shoe categories. It was also noted that in addition to 6 Data Book Bulletins and 6 Shoe Bulletins the Institute also issued an O.E. to FMSI Cross Index and Semi-Metallic Data Bulletin. He also reviewed the status of resolutions and projects which were noted at the last annual meeting.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the report of the Data Book and Technical Committee as written.

Mr. Willsie noted that over the past two years drum brake shoe and lining new assignments came from just two companies; Wagner Division of Cooper Industries and Allied Aftermarket Division of Allied Signal, with the majority coming from Wagner Division. Disc brake shoe and lining new assignments came from twelve different sources with Wagner Division being the major contributor. The Institute wishes to thank all the contributors and encourage all Members to support the Institute.

RIVET PATTERN SUB-COMMITTEE REPORT

Mr. Doug Willsie, Chairman, presented this report. Please refer to EXHIBIT 8 in the report booklet.

Mr. Willsie reviewed the current status of this sub-committee. Other than the establishment of the body of this committee, no action has been undertaken, due to liability concerns. A legal opinion was obtained from Harwood Lloyd of Hackensack, NJ and turned over to the Board of Directors for review.

Upon motion duly made, seconded and unanimously passed, it was:

> RESOLVED: To accept the report of the Rivet Pattern Sub-Committee as written.

Mr. Weldy gave the possible scenario by which the Institute could be brought into a suit if the Institute were to recommend or endorse rivet patterns for plates which are original equipment integrally molded. He also explained that the Institute Constitution, as it is written, does not give the authority for the Institute to recommend. It specifically states, "...collect, assemble and disseminate..." information.

A question was asked from the floor concerning those rivet patterns which have been distributed, are they still available? The Institute will continue to distribute, upon request, all rivet patterns that are made available to the Institute.

The legal opinion from Harwood Lloyd had been distributed to the Board of Directors and a number of responses from the Board were received. Mr. Sleeth asked the Secretary to read those responses to the Membership present. The responses came from Mr. Larry Belans of Friction Material Company Inc., Mr. Art Moore of Motion Control Industries, Carlisle Corporation, Mr. Bob Nelson of Abex Corporation and Mr. Max Sleeth of HKM of California Corporation. All of the responses essentially concurred with the opinion that the Institute had increased liability if the Institute recommended rivet patterns. It was felt, by the Board of Directors, that the Membership should be made aware of the factors that were considered in the decision to disband the Rivet Pattern Sub-Committee.

The discussion then moved to the classification of materials as semi-met or organic or organic with high metal content. It was noted that a number of materials particularly the European Jurid or Textar compounds, that it is difficult to make a clear determination and over the past several years the Data Book and Technical Committee has reviewed a number of border line compounds and did not reach any firm decision. It was noted that when semi-metallic materials first started to have wide usage in the late 70's and early 80's there was a distinct performance difference between "organic" and "semi-metallic" compounds. The appearance of the compounds were also unique and could easily be differentiated. With the newer compounds there is no definitive method of classifying the compounds and with the newer compounds the performance differences are less distinct. In line with the decision made above concerning the abolishment of the Rivet Pattern Sub-Committee because the Institute should not "recommend" the Institute will no longer list the material classification of "organic" or "semi-metallic" unless it is received from a reliable external source. The Institute will note the edgecode branded on the material when assignments are made from samples.

NOMINATING COMMITTEE REPORT

Mr. Robert E. Nelson, Chairman delivered this report. There is no written report for the Nominating Committee.

The Board of Directors has three positions which run to June of 1991. They are:

Ron Randall	-	HKM of California Corporation
Bill Wood[1]	-	Motion Control Industries
Ron Tygar[2]	-	Ultra Brake Corporation

[1] Bill Wood replaced Art Moore who resigned 5/3/90.
[2] Ron Tygar replaced Larry Mintman who resigned 6/12/90.

Note: These replacements were made by the Board of Directors.

There are four Directors whose terms expire this year. They are:

F. William Barton	-	Reddaway Manufacturing Company
Larry Belans	-	Friction Material Company
Rita Grisham	-	Ferodo America, Inc.
Robert E. Nelson	-	Abex Corporation

The Committee met after the Directors meeting and after much discussion, recommended the following nominations for terms to serve from July 1, 1990 to June 30, 1992:

F. William Barton	-	Reddaway Manufacturing Company
Rita Grisham	-	Ferodo America, Inc.
Robert E. Nelson	-	Abex Corporation
Doreen Tomao	-	Raymark Friction Company

Mr. Nelson explained that, by the Institute Constitution the Board should be made up of a cross section of the Membership in terms of fee structure. In order to be considered, one must attend meetings and there were no eligible attendees from the Class 2 category. Therefore the Board has four Class 1 Directors (top 1/3 of annual fees payable) and three Class 3 Directors (bottom 1/3 of annual fees payable).

The President asked if there were any nominations from the floor. There were no nominations from the floor.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That nominations for the Board of Directors be closed.

The Secretary was directed to cast one ballot for the election of Mr. F. William Barton, Ms. Rita Grisham, Mr. Robert E. Nelson and Ms. Doreen Tomao to serve two year terms until June 30, 1992. The Secretary advised that the ballot had been so cast. The Secretary advised that with the election of these four Directors, the Board had the required seven Members.

HEALTH AND ENVIRONMENTAL AFFAIRS COMMITTEE

Ms. Rita Grisham, Chairperson, delivered this report. Please refer to EXHIBIT 9 in the report booklet.

The Chairperson's report was submitted as a summation of significant events during the past year.

Ms. Grisham reviewed the Occupational Safety and Health Administration Amendments and Regulations concerning asbestos and silica. Also reviewed were the Environmental Protection Agency actions concerning the asbestos ban and National Emission Standard on Hazardous Air Pollutants (NESHAPS) for asbestos.

In a separate report Ms. Grisham reviewed and chronicled the significant dates and actions from the EPA asbestos ban as they relate to friction material.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the Health and Environmental Affairs Committee Report as written.

Mr. Sleeth noted that there is no one in the Institute or in the Industry who works harder or is more knowledgeable in the area of Environmental Affairs and is willing to share this knowledge than Ms. Grisham. The Institute and the Industry owe Ms. Grisham a sincere debt of gratitude for her efforts.

HISTORICAL SALES REPORTING

The Secretary reported on the Historical Sales Program for the past year. Please refer to EXHIBIT 11 in the report booklet.

The period covered was calendar year 1989. A tabulation of those Members who reported sales information in 1989 was presented. The Secretary advised that additional participation was solicited in January, resulting in the addition of 3 Active Members and 7 Regional Members to the program. It was also related that the Board of Directors had authorized a 10 Year Summary of Historical Sales be distributed to those who participate in the program.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the report on Historical Sales Reporting as written.

INTRODUCTION OF OFFICERS

Mr. Sleeth advised the Membership on the election of Officers for the 1990-91 fiscal year. The election took place at the meeting of the Board following the June 12 session of the Annual Membership Meeting. The Board elected the following Officers for the 1990-91 year.

President	-	Mr. Lawrence S. Mintman
Vice President	-	Mr. Larry Belans
Treasurer	-	Ms. Rita Grisham
Secretary	-	Mr. Gilbert N. Laycock

OTHER BUSINESS

Mr. Sleeth requested the continued support of the Institute by the Membership and thanked the Membership for their support during his two year term as President.

Mr. Mintman thanked Mr. Sleeth for his efforts during his two years as President and for the many years of hard work and dedication. He thanked the Members for attending and the Committee Chairpersons for their work during the year and Pam and Bill Barton for providing their boat and for hosting the Board of Directors Reception.

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There being no other business brought to the attention of the Membership, upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To adjourn

Adjourned at 10:00 A.M. June 13, 1990

G. N. Laycock
Secretary