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ABEX CORPORATION

CORPORATE HISTORY

(Information from Abex Answers to Plaintiffs' Interrogatories, Spears)

1902 Incorporated as The American Brake Shoe and Foundry (NJ)

1916 Reincorporated as that company in Delaware

1926 American Brake Materials Corp. was incorporated in NY

1933 American Brake Materials Corp. changed its name to American Brakeblok Corp.

1937 American Brakeblok Corp. merged with The American Brake Shoe and Foundry Co. and was thereafter operated as The American Brakeblok Division of that company

1943 The American Brake Shoe and Foundry Co. changed its name to The American Brake Shoe Co.

1966 The American Brake Shoe Co. changed its name to Abex Corporation

1990 Abex was absorbed into its parent company now known as Pneumo Abex Corp.

ADDITIONAL CORPORATE HISTORY

Minutes of the Friction Materials Standards Institute dated June 21 and 22, 1967 list two brake divisions of the Abex Corporation, American Brakeblok and S.K. Wellman Division.

Moody's Industrial Manuals and a computer search on Westlaw, provide the following corporate information:

1968 In Dec. 1968, Abex was acquired by Illinois Central Industries, Inc. (Whitman Corp.)

1986 Abex merged with Pneumo Corp. in January to form Pneumo Abex Corp., a subsidiary of Illinois Central Industries, Inc. Abex Corp. remained an affiliate company to Pneumo Abex Corp.

1988 In August 1988, Abex's Friction Products Division, along with Pneumo Abex Corp., were acquired by and became subsidiaries of the PA Holdings Corp., a company formed and indirectly owned by The Henley Group, Inc. and Wasserstein, Perella and Co. Holdings, Inc.

1992 Abex, Inc., formerly the Pneumo Corp. unit of Henley Group, was spun off from Henley in 1992. (Wall Street Journal, Nov. 22, 1994)

1994 Cooper Industries, a diversified manufacturer based in Houston, acquired the Abex Friction Products Division of Abex, Inc. in 1994. Abex, Inc. was based in New Hampshire, but its Friction Products Division was based in Winchester, VA. (Houston Chronicle, Nov. 22, 1994)

Cooper planned to merge Abex Friction Products with its automotive products division, which made brake drums and calipers and automotive lighting components under the Wagner brand name. (Autoparts Report, Dec. 2, 1994)

1994 Abex, Inc. agreed to merge with two MacAndrews & Forbes businesses, Mafco Worldwide Corp. and Consolidated Cigar Corp. The company would be called Mafco Consolidated Group, Inc. Abex shareholders would own 20% of Mafco Consolidated Group, Inc. **The non-aerospace assets and liabilities of Abex, including the net cash proceeds to be received by Abex from the sale of its Abex Friction Products Division, will remain with Mafco Consolidated Group.** (PR Newswire, Nov. 21, 1994)

Abex, Inc. said it agreed in principle with MacAndrews & Forbes Holdings, Inc. to form a new company that will incorporate Abex's assets and liabilities after Abex sheds its operating divisions. (The Wall Street Journal, Nov. 22, 1994)

1995 On Jan. 6, 1995, Abex and Mafco Holdings entered into a merger agreement. Abex shareholders will vote on the proposed merger at its annual meeting of stockholders to be held on 6/15/95. (Dow Jones Select Federal Filings Newswires, May 15, 1995)

INFORMATION OBTAINED FROM DOCUMENT PRODUCTIONS

(Iron Mountain Production on May 16-19, 1995)
(New York City Production on June 20-23, 1995)

Industrial Hygiene Department

Abex established a Medical and Industrial Hygiene Dept. in 1941. From Nov. 1948 until August 1982, annual chest x-ray surveys were conducted at all Abex plants using Abex's own mobile van service. Beginning in 1983, in Winchester, they used an outside van service. Industrial Hygiene Bulletins were being issued in 1965.

Both Travelers Insurance Company and Liberty Mutual Insurance Company performed industrial hygiene surveys for Abex at various Abex plants. These surveys included air sampling for asbestos.

Liberty Mutual reports dated 1958, 1964, 1965, 1967, and 1970 were found. Gary Lia was the Liberty Mutual Insurance official who forwarded many of the reports to Abex. S.T. Wagner was a Liberty Mutual Senior Industrial Hygienist who performed studies in 1967.

A Liberty Mutual ad in one of the Abex boxes stated "Back in 1934, Liberty Mutual realized that most of what was happening to people's lungs was happening where people work." It went on to say that Liberty Mutual set up one of the largest environmental health service facilities of any company in the United States. They trained their own industrial hygienists and developed new trace analysis techniques for studying air.

In 1971, Travelers and Abex agreed that Travelers would perform industrial hygiene surveys relating to their workmen's compensation and general liability coverage for Abex. Travelers performed studies at the Winchester plant in 1973.

Charles Borcherding, Jr. was an Abex industrial hygienist in the 1960's. He eventually became Director of Environmental Control, and his name appeared on many Abex documents relating to asbestos. He would be a good person to depose. * Depose?

Dr. C.C. Blackwell, Jr., who was the Medical Director for American Brake Shoe Co. in 1965, was still the Medical Director for Abex in the 1970's. In 1986, Dr. Dennis G. Egnatz was listed as the Corporate Medical Director. The Medical Department appeared to be in Chicago, IL; and Industrial Hygienists worked for the Medical Department.

Research Center

Abex had a Corporate Research Center in Mahwah, New Jersey. In the 1960's, M. Dripehak was the Safety Director there.

OSHA/State of VA/Canadian Investigations

The Abex Canadian plant was inspected by Canadian officials in 1972. A letter dated July 28, 1972 to P.C. Milner, Brakeblok Works Mgr., from C.H. Borcherding reported: "Asbestos above TLV limits in all locations studied. Studies conducted by The Ontario Dept. of Health."

In the 70's and 80's, Abex's Winchester plant was also investigated by OSHA and the VA Bureau of Occupational Health for asbestos violations.

M. David Gidley of Abex met with Harold Pauly, OSHA Industrial Hygienist from Richmond, VA, regarding some Abex Industrial Hygiene surveys which had been conducted. Later Gidley wrote a Memo to File dated 6-16-75: "He was unaware, however, that elevated exposure levels existed at Blok Finish and Disc Brake manufacture and had not sampled there. I didn't volunteer the information."

Charles L. Cloust, VA Bureau of Occupational Health Industrial Hygienist, visited Winchester on Jan. 30, 1979, to investigate an Abex employee's complaint regarding "storage of and exposure to asbestos in the tool room and machine shop area."

Thomas Rother, OSHA Indsutrial Hygienist, visited Winchester on Feb. 29 and March 1 & 2, 1979 to investigate an employee's complaint of excessive exposure to asbestos in the disc brake department. Afterward, E.F. Potts, Plant Mgr., wrote to L.V. Keenan on 3-12-79. "Should we allow the OSHA inspector to expand his visit beyond the employee complaint? D.K. Rennie advised that we should not on the basis that we had been subjected to harassment in some of our other plants."

Evidently one employee received some sort of reprimand for an OSHA complaint, because there was a letter dated 11-21-79 to E.F. Potts, Plant Mgr. from C.H. Borcherding: "At this time I would appreciate any paper work which has been generated by this OSHA investigation which apparently deals with an alleged reprimand to your worker who turned in an OSHA complaint."

On Feb. 25, 1987, the Winchester plant was again inspected by OSHA in Complaint No. 70149208. The investigation was made as a result of another employee's allegations. OSHA industrial hygienists J. Michael Lindsay and Raja Abouzaki found that "dust collectors were clogging because of lack of maintenance--products made of asbestos and fiberglas..."

DOCUMENTS REQUESTED BY B&B

Letter dated 6-13-63 to William H. Baker from James S. Holtaway, Industrial Hygienist. Subject: "Asbestos-Winchester-Respirators"

"Liberty Mutual boys objected to the use of the Martindale Respirators in handling asbestos and asked for my comments."

"...would not be acceptable for asbestos."

To Charlie from Ed dated 1969

This is a copy of a paper titled "What Occupational Health Problems Confront Us Today" which talks about asbestos and mesothelioma.

Correspondence dated 1-6-72 to Plant Managers and Superintendents from L.V. Hartin, Supervisor Loss Presention & Claims. Subject: OSHA Bookeeping Requirements

"#22 Dust Diseases of the Lungs/Pneumoconiosis"

"D. Medical Evidence of Development of Pneumoconiosis*"

"*Refer to Abex Corporate Confidential Report of Plant Chest X-Ray Survey for progression or new cases. Do not record cases reclassified from pre-siderosis to siderosis or pre-silicosis to silicosis."

Internal Memo dated 6-19-72 to Several Persons (including Borcherding) from E.H. Feierabend

Feierabend was on the FMSI Asbestos Study committee and he was distributing a paper to several Abex personnel.

Letter dated 10-19-72 to C.B. Mallory from C.H. Borcherding, Jr. re Warnings & Labeling of Asbestos Products (3pgs.) with attachment: Federal Register dated 6-7-72 - Caution Labels

Memo to File dated 5-21-75 by Dr. C.C. Blackwell, Jr. re OSHA Industrial Hygiene Survey - FPG-Winchester

Memo to File dated 1-14-76 - Re: OSHA Proposed Asbestos Standard by C.C. Blackwell, M.D., Medical Director

"I have discussed the OSHA proposed asbestos standard with M.D. Gidley several times. We both feel that the 5 fiber limit is too high and that in all good conscience, it should be lower."

Letter to Friction Products Group dated 9-30-77 re: AIA Directors Meeting and Annual Meeting in Washington

Letter dated 1976 to E.H. Feierabend from M. David Gidley, Manager Indsutrial Hygiene & Environmental Control

This letter describes a meeting held at Mt. Sinai regarding asbestos sampling in the NY subway and a private conversation with Mt. Sinai personnel re the dangers of asbestos.

Letter dated 1-23-78 to S.S. Conway, Jr. from B. Iwarsson

"...George Washington Univ. and other institutions have found our address and contacted us for an assortment of research projects, all related to asbestos."

Letter dated 3-15-78 to S.M. Andrichak, Senior Project Eng. Mahwaw, from C. Borcherding

Letter dated 4-19-78 to B. Iwarsson, Vice-Pres. of Manufacturing, from C.H. Borcherding

"As I promised, Dr. Knoch and I will collaborate on the replies wherever we can for the interrogatory relative to the Paul Haney-Kelsey Hayes litigation, and I shall forward them to you."

"Last week was an opportune time to discuss the OSHA problems associated with asbestos and your plants. I was glad to have the chance to bring you up to date and point out such problem areas such as employee notification on overexposure and other ramifications of employee overexposure to asbestos."

"If you would lend your support to the recommendations in our industrial hygiene surveys, I feel more would be accomplished..."

Article titled "Deadly Dust Particles From Asbestos Brakes," The Record, Hackensack, NJ, June 19, 1978

This is a Friction Materials Standards Institute letter with the article attached which had been sent to members of the FMSI Asbestos Study Committee by Edward Drislane.

Letter dated July 25, 1978 to J. Lohr and D. Payne from James W. Powe

This letter, on letterhead reading "Friction Products Division Winchester," revealed that Abex was not placing warnings on some asbestos products at this time. "Enclosed in the box are the warning stamps to be used on all boxes that do not already have the warning label. Two stamp sizes are furnished to accommodate various sized boxes. Please begin using these stamps immediately." *

Letter dated 9-27-78 to Borcherding from G. Nicholson

This letter discusses an Oct. 4, 1978 meeting between Borcherding and K. Mahesh "to discuss asbestos fiber control."

Audubon, Sept. 1978, Page 6, Section titled "Chronicle", by Dennis Hanson

"The Abex Company has built an asbestos plant in India with no requirements for worker safety."

Memo dated 12-15-78 to G. Nicholson

This memo discusses Borcherding ordering information about field monitors to be used for "sampling for asbestos."

Letter dated 3-12-79 to D.K. Rennie from Edward L. Miller (with attachments

This letter deals with notifying employees.

Friction Materials Work Practices Guide published by the FMSI

There is a handwritten note dated 12-3-79 from Borcherding: "Geoff, attached is FMSI publication slanted toward the education of workers with asbestos--remember I asked pertinent questions on this subject? What are we doing? Charlie"

Handwritten memo date 8-5&6-80

"Memo from...C.H. Borcherding, Jr."

"Telecom-DKR"

"Decided to withhold IH-monitor records-but talk to Al Casey"

"8-6--Casey--not sure Don understands legal ramifications of (unable to read word) long-expensive court battle--will put reply to DKR in writing & count on compliance w/law & regs."

Letter dated 12-8-80 to C.B. Mallory, FPD Winchester, from D.K. Rennie re: Asbestos Cases

"Presently we have eight cases alleging personal injury by reason of exposure to automotive and truck brake lining."

"It makes sense to have one man in the division responsible for factual discovery so that work is not duplicated and testimony, if necessary, is given consistently."

"Accordingly, I am appointing you FPD coordinator with counsel. Your counterpart in RPG is A.W. Farrell."

Letter dated 1-21-80 to R.L. Ward from G. Nicholson, Friction Products Div., Winchester re: Toxic Substances Affecting Our Customers

This letter lists various Abex personnel serving on AIA and FMSI committees and then says, "...we have been remiss in following up outside meetings."

Nicholson said that Abex had not distributed the FMSI Friction Materials Work Practices Guide. "The back cover of the FMSI catalogue gives guidance on safe procedures for brake servicing. We omit this from our catalogues we prepare for ourselves and NAPA." *

"As far as we know, we provide no training or information to our customers."

Letter dated 7-30-81 to Borcherding from Donald P. Johnson

"There has been much discussion around Winchester plant concerning the re-use of dust collector exhaust air as make-up air for the plant."

Clutter v. Abex, 1982

This was the Doan case, a 1982 mesothelioma claim. Abex offered $100,000 settlement. *

Particle Data Lab L.T.D. conducted asbestos dust evaluations for Abex in 1982

Letter dated 4-15-82 to A.H. Casey from J.A. Lang

Asbestos workers compensation claims were handled under Group Coverage. The employer did not have to file a report of accident or disease with the state. Accordingly, the Winchester plant was told not to file reports unless the employee made a formal claim as prescribed by the Workers Compensation Act. (Note: 3C-80 - Calvin Adams and 3C-1687 -James Bailous. *

Abex Medical Department Letter dated 1-18-85 to Edward Miller from D.P. Johnson, Plant Engineer

"Tampering with designed dust collection systems will not be tolerated."

"We are not presently requiring the wearing of respirators on these presses but, as in the past, we do offer respirators on a voluntary basis."

Blue Binder titled "Brakelining Abex"

The third tab titled "Asbestos Issue" contained risk analysis of claims and asbestos claim forecasts. Claims pre 4-1-85 were covered by insurance. "Judge Penn decision 4/16/85"

Travelers and Maryland Casualty.

Abex Environmental Control Letter dated 7-1-85 to E.H. Feierabend from C.H. Borcherding. Subject: Abex Generated MSDSs

"It is requested that a copy be sent to this office as soon as possible of each Abex generated (*) MSDS which has ever been produced and/or distributed."

"These documents are requested in view of the sensitive information which they contain and have not been reviewed for health, safety and environmental issues."

"It is imperative that a valid updated list be maintained on all persons or organizations to which these MSDSs have been distributed since distribution began."

"(*)(An MSDS written by Abex regarding an Abex product)"

Medical Department Letter dated 6-23-86 to J. Pruneski/R. Conners from Dr. Dennis Egnatz, Corporate Medical Director

This letter summarized Abex's medical and industrial hygiene departments and described the chest x-ray program. Egnatz said that after the 5 fiber limit was instituted in '72, "our findings were generally under that OSHA limit."

Medical Department Letter dated 6-24-86 to Pruneski/Conners from Dr. Dennis Egnatz

This is a follow-up to his letter of 6-23-86. "There have been no known claims of asbestosis between 1930 and 1965 at any Abex plant."

"Within Friction Products Div., one claim from FPD-Salisbury, NC and two from FPD-Lindsay, Ontario."

"Most claims have been in the product liability area and not from Abex employees."

NATLSCO Letter dated 11-17-86 to Vince Wise, Plant Manager Winchester from John L. Reese, Industrial Hygienist

Winchester was notified that after a survey, there were 6 areas where asbestos exposure levels were exceeded. Two others were close and could be expected to exceed.

Letter dated 10-05-88 to Dexter Kenfield from Michael Naughton re: Ramon I. King

Per Dr. Sachs, Ramon had oat cell carcinoma resulting from asbestos dust exposure. Dr. John Scott, Chief of Pulmonary Disease-Western PA Hospital, testified for the Defense.