PLAINTIFF'S EXHIBIT

KM-446

KELLY-MOORE MEMO

TO Svend Stubb FROM Doug Merrill DATE 2/23/78

SUBJECT PACO #5525 TAPING COMPOUND WITH ASBESTOS

I have 239 bags of #5525B Taping Compound at San Carlos that contains asbestos. This material is substandard, because the asbestos was pressure-packed and did not disperse completely, leaving dark specks of asbestos that showed up when it was used. The branch cost is $2.24/bag.

The law allows the sale of patching compounds until June 12, 1978, but prohibits the manufacture or shipment from the manufacturer after January 16, 1978, except for industrial use.

294-7729

There is a man by the name of Ron Scarbourgh who is unhappy with his present source of taping compound and would like to buy anything with asbestos in it.

Please advise if we can sell this to him and under what conditions and price.

DWM/vk

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