PLAINTIFF'S EXHIBIT
USG 12

United States Gypsum Company

101 South Wacker Drive, Chicago 60606

January 3, 1972

Mr. Alfred Gianboi
Metropolitan Spray, Inc.
2508 Coney Island Avenue
Brooklyn, New York 11223

Dear Al:

We covered a number of subjects in our meeting on December 21. I have separately written you in regards to our "policy" relating to fire-proofing materials. I did so because in my opinion it is one of great importance, both to you and us, and furthermore I wanted to give copies of the guidelines to other people. Rather than covering each of the other subjects separately, I will include them in this memo to you.

I was pleased to get your schedule of projected requirements for the next three months. This is most encouraging and the information will be especially helpful to us in planning our business at South Plainfield. I am sending copies of the schedule to the South Plainfield plant. The anticipated volume certainly augurs well for Spraybon volume.

I left with you two copies each of a contract for Sprayon International and Metropolitan Spray. I have drawn these up completely responsive to the two objections which you had in regards to the previous contract I had presented to you. I would appreciate receiving back the signed copies so that we may execute them, returning a copy to you.

We discussed to quite some extent the price of SprayBon products out of Wabash. I will not attempt to reconstruct our total conversation, but I did tell you that the price quoted you is that which we used and it was necessary to use to give a satisfactory return on investment for the sizeable capital investment that will be necessary at Wabash. You made a suggestion that involved freight, which we are currently investigating.

You withdrew from any immediate survey of the European market. This came as somewhat of a surprise to me, since you had previously asked for my assistance. I can understand your reason for this decision, since there is certainly great opportunity in the States. I would suggest, however, that at an appropriate time, and possibly quite soon, you reexamine this decision.

You recounted to us the long period of time between shipment and your receipt of invoice. You had not received invoices for shipments made as long ago as December 3. This obviously is too long a period of time and I am asking Mr. Bell to investigate this situation for improvement.

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We discussed the use of asbestos in formulations. Federal regulations on the use of asbestos in a manufacturing plant are so stringent that we could not comply with the use of asbestos in any of our wool plants.

I talked to Hawaii Plastering contractor who requested information relative to Spraybon. Such information has been wired to our representative in Hawaii, Mr. Bob Spangler. For your information, which you may want to confirm to Mr. Alfred Coledo, the Spraybon "J" bag weight from Torrance is 45 lbs. and the size of the bag is 8½"x 18"x 34". This should give him what he needs to know.

This covers the pertinent points of our discussion. I would appreciate any comments which you may have in regards to them, if you have any.

It was nice meeting with you again, and may I wish you a happy and prosperous New Year. The potential is there and, knowing you, I am sure it will transpose itself into the profitable New Year.

Sincerely,

C. Conrad Thiel
General Manager
Minerals & Mineral Fiber Division

CCT:saf