PLAINTIFF'S EXHIBIT

GP-564

cc: Mr. K. A. [illegible]askill - Ardmore
Mr. M. M. Powers - Ardmore
Mr. A. L. Meyer - Ardmore
Mr. R. Smith - Ardmore Legal

THIS COPY FOR

January 24, 1964

Mr. J. A. Marian, Gypsum roducts Manager
Johns-Manville Sales Corporation
22 East 40th Street
New York 16, New York

Re: Complaints - General

Dear Joe:

We discussed our suggesting to you certain matters relative to complaints Johns-Manville customers may have on gypsum products that might be covered during your coming Sales Meetings so they might be handled a little faster insofar as the arrangements between Bestwall and Johns-Manville are concerned, and I hope, settled equitably to both. Please bear in mind that the following remarks are made to remind you of the various points and not to indicate how you might present them to the J-M sales people.

I believe two most important premises should be kept in mind insofar as complaints Johns-Manville customers may have. First, the adjustment by J-M to the J-M account is entirely the business of the Johns-Manville management. Second, the adjustment by Bestwall to Johns-Manville is covered in the Sales Agreement between the two companies. It would appear from correspondence that J-M sales people in the field have the impression Bestwall adjustments to J-M cover the entire claim of the J-M customer, and that Johns-Manville merely acts as the agent transmitting the adjustment from Bestwall to the J-M customer. This is not Bestwall's interpretation of the Sales Agreement, and a clear understanding of this would remove much of the friction that develops, as well as save useless correspondence and delay in J-M settling with the J-M customer using the material.

Basically a complaint arises because the customer using the material in the field is dissatisfied. This may be dissatisfaction in the appearance or use of the material, either in application or in the finished state; or may be dissatisfaction with service which generally covers several matters.

It is necessary for Bestwall to have a written record of every complaint if the situation is to be corrected to avoid it in the future, and particularly if any monetary adjustment is requested. In this regard the J-M people are following through fairly well, with two exceptions. It would appear in reviewing many files, that the J-M salesman in the field is writing a complaint long-hand, sending it to his District Office where it is

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typed and then distributed to the shipping plant and others concerned with the problem. Frankly, there is too big a delay (several 4 or 5 weeks) in a great many of these which means a delay in the J-M sales people in the field furnishing additional information which might be necessary for the plant to evaluate the matter, and in some instances make it impossible to get samples that are necessary. Another point that would be helpful is to have the J-M sales office fill in the information as to the Bestwall invoice number to J-M as well as the date of shipment relative to the material on which the complaint is made. This is particularly important where the problem arises with an account who gets frequent shipments.

Most important, when the salesman makes his initial investigation and writes his complaint, he ought immediately to make every effort to determine code numbers on the material complained of and to take samples of the material and send them to the shipping plant, identified with his complaint fully so that the plant may tie the sample with the complaint when it arrives. Bestwall uses canvas covered plastic bags for shipping plaster materials and a corrugated carton for board samples. Both of these are available out of the Fort Dodge Sample Department. Both have been developed after consideration of the Laboratory problems involved in testing the material. If you want to arrange for J-M use of these containers, please advise me so that we can set it up. The bags would cost 15¢ each, the cartons 25¢, and would be billed to J-M along with the samples monthly. A bag holds approximately 5 pounds of material, the corrugated shipping carton takes a sample 13" x 16" and will hold 1-1/4" thickness of material, as three 3/8" samples, two 1/2" samples, two 5/8" samples, one 1" sample, etc.

Again reviewing the files of many J-M complaints, it appears that a lot die without an adjustment because the J-M people at the District Office or in the field do not come back and give the additional information requested by the shipping plant. This may be for more information on the complaint, more samples, questions as to the amount of material involved in the complaint, use of defective material, etc.

Bestwall plant's responsibility is to examine the material and indicate whether or not there was defective material involved. The amount of the adjustment and the credit memorandum covering any adjustment made is prepared in the Bestwall General Sales office based on an analysis of all information. As mentioned in the beginning, such adjustments are limited by the Sales Agreement to replacing defective material at cost.

In case of a very serious complaint where the customer may have a truck load or car load of material which he feels is defective to the extent that he does not want it, or when a contractor asks for a large adjustment, be sure a telephone call

is made to the shipping plant immediately such condition is known so the plant has the opportunity of sending a man to examine the material, suggest corrections, determine the Bestwall Company's responsibility and to assist where necessary in disposing of the material. When an account has used the material improperly, applied it incorrectly, not protected it in storage, or used the product for other than the purpose for which it is designed, the Bestwall Gypsum Company can assume no responsibility. It is up to the J-M sales people to determine what adjustment J-M will make with their customer, but certainly they should not predicate it on what adjustment Bestwall will make to J-M. Under no circumstances is material to be returned to the shipping plant without the prior knowledge of the plant and their indication that it will be agreeable to return it. Very frequently material can be disposed of where it is to another account who will use it properly, or to the account who has it on some minor price adjustment. If the material is found so defective as to be useless, it is better to dump it at that point. All of these methods of handling complaint material in the field eliminate the unnecessary handling costs on the material.

Unless an error in shipment has been made and an excessive amount of material shipped to the account, goods that are returned to the plant are accepted only on the basis of a Returned Goods Report the plant makes which will indicate the amount of the saleable material returned. All freight is for the customer's account and there is a 10% service charge for handling the material. Any adjustment Bestwall makes to J-M on this type problem will reflect those deductions.

In the event the Bestwall Plant is not able to ship all of the material on an order at one time, the shortage will be cancelled. The J-M District office will be given the opportunity to increase the quantity of other items available to meet the minimum weight requirements for the shipment. If an account insists on less than car load or truck load shipments, such shipments are only made on the basis of full freight to the customer's account. Bestwall will make every effort possible to make shipments as promised on time and with the type of equipment requested. Particularly in times of high demand for gypsum products and when there is a shortage of shipping equipment, this may not always be necessary. Bestwall cannot assume any responsibility for monetary adjustments due to late arrival of materials.

In the event of a billing error, the Billing Department at the plant will automatically make adjustments in the invoices when the error has been called to their attention.

If Bestwall can be of any assistance to Johns-Ar[illegible] in handling complaints, please give us the [illegible]

[illegible] we are most anxious to be sure Westwall customers (including [illegible]) are satisfied. Whenever a Plant Quality man or a Laboratory [illegible] goes into the field to assist a J-M salesman on a complaint, they are instructed to give every bit of assistance to the salesman possible, and to help him to the extent the J-M salesman better understands gypsum products and their proper use.

Very truly yours,

[illegible] Abbey
Director of Technical Services

[illegible]:bc