EXHIBIT
KEENE DEFENSE
27
ALL-STATE LEGAL SUPPLY CO

BALDWIN-EMERY-HILL INCORPORATED

Privileged

February 22, 1967

HISTORICAL BACKGROUND OF VALLEY FORGE X-RAYS 1966

As the result of an annual request by Valley Forge through the Montgomery County Tuberculosis and Health Association for their T-B Mobile Unit, this year the plant manager was advised by Mr. Stratley of the Montgomery County Association, Norristown, that he should request the X-ray mobile unit directly from Dr. Jan Lieben, Director, Division of Occupational Health, Commonwealth of Pennsylvania, Department of Health, Harrisburg. This unit was requested from Dr. Lieben in May, 1966, and X-rays taken July 26, 1966 by the State unit, rather than the Montgomery County T-B unit, on large size plates. 89 X-rays taken, 65 reported to have some form of Asbestosis.

Meeting at Valley Forge 9/14/66 with FMA Officials and Valley Forge Management.

FMA - Mr. Johnson, Chief, Safety
Mr. Jake Sharran, Air Pollution
Mr. Walt Carroll, Claims Manager
Mr. Walter Knerr, General Manager

B-E-H- H. E. Auricchio
R. W. Herion
O. T. Yager
C. M. Potter

The findings of the X-rays were discussed, and as the result it was decided to have additional large X-rays taken to compare with the State findings. Seventeen X-rays were taken at Montgomery Hospital, Norristown, (three series of x-rays each). The X-rays were to be read by Dr. P. A. Theodos of Philadelphia. He was recommended by FMA as supposedly one of the best in his field.

Meeting at Valley Forge 10/13/66 with FMA and B-E-H.

for FMA - Walter Knerr
Walter Carroll
Bill Richter
Dave Johnson
Jake Sharran

for B-E-H - H. E. Auricchio
O. T. Yager

X-ray finding of Dr. Theodos compared with State findings. Dr. Theodos reported four employees could have Asbestosis, whereas State reported all 17.

Also discussed was Dominic Palaia, deceased Valley Forge employee. His estate is suing for compensation from FMA, attributing his death from working at Valley Forge, possibly Asbestosis.

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As the result of this meeting, Dr. Battafarano, plant physician, was contacted by O. T. Yager to inquire if he had informed employees of the State X-ray findings at the time the State reported Asbestosis and had forwarded the reports to him. He advised O. T. Yager that he had informed employees.

Meeting 10/20/66, Jake Sharran, PMA, and O. T. Yager

Jake Sharran called on O. T. Yager and the X-ray findings were discussed. Jake had recently returned from a Pittsburgh meeting attended by the majority of the Asbestos Industries. He felt that the Asbestos people were interested in, as he put it, "pinning Dr. Lieben's ears back."

He mentioned that Certain-Teed was having problems with dust counts made by the State. Their product contains 35% asbestos vs 10% in our product.

He suggested that we run another series of X-rays as soon as possible without causing employee alarm. He had no suggestion on how to accomplish this.

He felt that we would probably hear further from the State. That we should continue to allow the State to take dust counts, but not to allow the State to take any X-rays of our employees. He felt we had this right, also that PMA would give us help and advice.

Meeting 11/21/66 - Jan Lieben, M.D., Director, Division of Occupational Health, Pennsylvania Department of Health

Dr. Lieben called unexpectedly and unannounced at the Valley Forge plant on November 21, 1966. In his discussions with O. T. Yager he mentioned he was interested in tracing the background of older Valley Forge employees, from 1940, and asked that I endeavor to obtain permission for him to conduct this survey. He was especially interested in the Stagliano family who had been Valley Forge employees. The ones that worked here have died of Mesotheliomas, and he was doing a study to determine the relationship of Mesotheliomas with the Asbestos industry.

Just recently he had talked with Dr. Theodos concerning the B-E-H X-rays; evidently they had dinner together. Dr. Lieben said that Dr. Pendergast had read the State films, and that he, Lieben, was going to have the films re-read. He feels that Pendergast probably over-read them and that the findings are somewhere between Pendergast's readings and Theodos' readings.

After Lieben left, O. T. Yager contacted H. E. Auricchio by phone to inform Auricchio of this meeting and asked Auricchio what he felt about allowing Lieben to have access to our employment records.

Phone Conversation 12/1/66 - Jake Sharran and O. T. Yager

Mr. Sharran felt that Dr. Lieben was writing an article concerning Asbestos and could cause B-E-H much embarrassment. O. T. Yager should contact B-E-H legal representatives to get their feeling concerning Dr. Lieben's request for the 1940 employment records. Mr. Sharran thougnt B-E-H should know the legal limitations or complications concerning employees employed now and formerly employed in regard to Asbestosis claims by themselves or their estates.

He also advised that in any future health surveys or benefits such as X-rays, they should be conducted wholly by the Company rather than through a State agency. In this way the Company can retain complete control of the findings.

Meeting 12/13/66 - Jake Sharran. and Bill Carroll, PMA, O. T. Yager

Again some discussion concerning X-ray findings. Jake Sharran again advised B-E-H to contact their legal people. He felt that it should be possible to turn down Dr. Lieben's request for 1940 to 1945 employment records, but B-E-H should have some reason.

Meeting 2/17/67 - Mr. Carlton Dittman, Ballard, Spahr, Andrews & Ingersoll, Land Title Building, Philadelphia

Discussion of entire X-ray affair. Mr. Dittman interested in getting background of our problem, and requested the above composite of events. He took a plant tour.