

10810-00101

PLAINTIFF'S
EXHIBIT
A 274

MEMO

TO: DJR

FROM: GQB

RE: Armstrong World Industries, Inc. Plant Worker
Asbestos Cases

On June 13, 1989, I attended the records deposition of the custodian of records of Armstrong World Industries. The deposition was held at the offices of Barley, Snyder, Cooper and Barber located at 121 East King Street in Lancaster, PA.

Robert Trease, the record custodian, was present along with Keating, in house counsel for Armstrong Industries. Trease testified regarding two sets of documents: the first was entitled Raw Materials Nomenclature and the second was entitled Budget Variance Reports. The Raw Materials Nomenclature reports refer to various types of asbestos which was to be purchased and the Company code which was thereafter assigned to these different types. These documents also listed approved sources for obtaining the various types of asbestos. The raw material nomenclature documents covered the years from approximately 1969 to 1972.

The next set of documents, the Budget Variance Reports, list the type of asbestos purchased by code; the company from which it was purchased; the amount of pounds purchased; price per pound and the actual cost paid therefore. These records were kept for accounting purposes to observe budget vs. actual cost. During the deposition Trease cross-referenced these two sets of

documents in order to know which code represented which company and type of asbestos.

Trease began with Armstrong World Industries in 1958 as a rate analyst. For awhile he was the purchaser of corrugated boxes; then was the purchasing agent for non-processed machinery and equipment; then purchaser of raw materials in general. He stated that as of 1973 he had no familiarity with records of the company. From 1973 until 1977 he was the purchasing agent for packaging and pigments in the Lancaster plant. It was at this time that he gained familiarity with records. After 1977 he became a purchasing agent for plastizers and organic chemical. In 1980 Trease became the manager of plant purchasing. As manager Trease was in charge of the purchasers of asbestos fiber. Trease holds this position today. His duties include the purchase and conditions of major raw materials. He was subpoenaed to appear at the deposition.

Robert Gordon counsel for the plaintiffs questioned Trease regarding the Budget Variance reports. Those reports covered the years from 1961 to 1982. Trease testified that he was unable to tell from the reports alone where in the plants the fiber would have been used. However, the fiber was generally used in the tile or adhesives departments. These were two separate buildings. He had no knowledge which manufacturers products went to which department. He suggested that other Armstrong employees, possibly chemists in either department might have that answer. Trease stated that Arnold Industries would accept asbestos from any of the approved suppliers listed in the "raw

materials nomenclature documents".

In regard to the Raw Material Nomenclature documents, which were marked as Plaintiff's Exhibit 2, Trease stated that he was not the custodian of records for these documents. They were obtained from the quality assurance department through Arnold's legal department. The handwritten notations made in these documents were made by someone in quality assurance. The custodian in that department is named Peggy Russell.

To the best of Trease's recollection the major suppliers of asbestos to Arnold Industries were Carey, JM and Lake. Armstrong stopped purchasing all raw asbestos fiber in 1982.

Trease testified in regards to a report which was prepared by himself and counsel Keating. This report was marked as plaintiff's Exhibit 3 and will be attached to plaintiff's deposition transcript. No copy was distributed to counsel at the time of the deposition. This document was a list of suppliers and the pounds supplied by each supplier for a certain time period. The document covered the years 1968 - 1982. Trease stated that he has recently found additional information regarding the years 1961 and 1962. He and Mr. Keating will most likely be preparing a similar report for these years. The report was based on figures derived from the Budget Variance Reports and the codes listed in the "Raw Nomenclature Reports". The report was prepared by company controllers. The actual invoices were most likely discarded. However, Budget Variance Reports show a compilation of total invoices per year.

Trease's familiarity with the actual documents in "Raw

Material Nomenclature reports" began in 1987. Prior to this time he had no real knowledge of these documents. Trease noted that there could have been additional suppliers for the Armstrong plants outside of the Lancaster area.

The specification numbers used in the "raw material nomenclature reports" was tied to a particular type of product/i.e. a particular type of asbestos. The specification numbers would not change over the years. Trease observed that the specification numbers which began with the letter A followed by a few digits had been used from 1961 until 1963. In 1963 the A designation changed to either 105 or 107. Trease noted that according to these two sets of documents he would have been unable to tell which of the approved suppliers supplied a particular type of asbestos. For example, referring to the third entry on page 7 of the Raw Material Nomenclature report, third entry referring to specification 105133 and either JM or Carey were approved suppliers for that specification number, Trease would have no way of knowing which supplier supplied which proportions of that type of asbestos fiber.

JM was an approved supplier for hydrous magnesium silicate, specification number 105116, approved 1970; hydrous magnesium silicate, specification number 105106, approved 1972; hydrous magnesium silicate, specification number 105116, approved 1972; hydrous magnesium silicate specification number 105106, approved 1971; hydrous magnesium silicate, specification number 105133, approved 1974; hydrous magnesium silicate, specification number 105124, approved 1969.

The report prepared by Trease and the controllers at the request of Keating showed that Carey Canadian was the largest supplier of raw asbestos fibers to the Armstrong plant for the years 1968 to 1982. The second largest supplier was JM. However, Carey supplied approximately three times as much fiber as did JM.

In general, Trease was a competent and confident witness. He seemed very familiar with the documents and adequate to testify to their accuracy. However, it must be noted that he had no real knowledge of these documents until 1987; he never actually purchased asbestos fibers himself; additionally, the report which listed the amounts of asbestos purchased from each supplier was based on invoices which were not produced at the deposition; and Trease did not testify as to where the individual product supplied by the various suppliers, was used in the Arnold plant or in which proportion.

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AS CIVIL TRIAL SPECIALIST

May 24, 1989

OF COUNSEL
MITCHELL S. COHEN
ALSO ADMITTED MICH. BAR

TO ALL COUNSEL:

RE: ALL ARMSTRONG WORLD INDUSTRIES, INC. PLANTWORKER
ASBESTOS CASES

Dear Counselors:

Enclosed please find a copy of a Notice of Taking Oral
Deposition of the Armstrong World Industries Custodian of
Records. This deposition will be conducted at the offices of
Barley, Snyder, Cooper and Barber located at 126 E. King St.,
Lancaster, Pennsylvania, at 10:30 a.m. on Tuesday, June 13, 1989.

Very truly yours,

GREITZER AND LOCKS

BY:


JERRY KRISTAL, Esquire

JK/ab
Enclosure

cc: Knipes-Cohen