C O P Y



July 23, 1968

Phillip Carey-Smith & Kanzler Meeting

That the assets of the company were in the area of 2.5 million plus the intangibles of SprayCraft U.L. approvals and going business open orders etc. bringing a total for negotiation to 3 - 3.3 million.

Consideration could be given to a stock purchase by Carey with possible 100M tax loss carryover.

SprayCraft volume is 500M annual. Victor volume also 500M annual and total approximately 2 more.

Advised that we have SprayCraft licensees in various areas on royalty basis - no details given other than locations.

Advised them of our labor Union affiliation and general wage scales.

Mr. Johnson and I agree that they want this facility very much. We believe we should pursue the negotiations promptly. To do so we need guide lines for operation.

1. Who will be involved from Victor-Dana as the negotiating team. Suggest we have legal counsel at next session.

2. Are there any limits to disclosure of S & K information, i.e. P/L balance sheets, appraisals etc.

3. What type of transaction would be acceptable - cash purchase of assets, stock purchase for cash, exchange of Carey-Dana shares etc.

4. What will be our minimum acceptance price.

R. M. Burns

VPD-158-0000437

RMB/ci