PLAINTIFF'S EXHIBIT

FSA-2

FLUID SEALING ASSOCIATION

Board of Directors' Meeting

Thursday
June 19, 1975

Seaview Country Club
Absecon, New Jersey

MINUTES

The meeting of the Board of Directors of the Fluid Sealing Association was held on Thursday, June 19, 1975 at the Seaview Country Club, Absecon, New Jersey.

Members Present: President - George K. Mordas
Vice President - Richard T. McDermott

Clay M. Jewett	Laurens C. van Dyck
Roy Van Ness	Jack Reynolds
Charles J. Kenkelen	Thomas P. Jackson
John Scannell	W. Jerry Rooney

Staff Present: Brent H. Farber, Jr., Secretary/Treasurer
John A. Shiffert, Executive Secretary

Counsel Present: Gabriel Nagy

President Mordas called the meeting to order at 11:00 a.m. He presented a letter of resignation by the Johns-Manville Sales Corporation. Tom Jackson of Johns-Manville told the Board of Directors how sorry he was, but due to the change in company pplicy, they would no longer be participating the Compression Packing Division, Non Metallic Gasket Division and the Molded Packing Division. He added that his company would still continue to report their production and sales figures for the remainder of this year. President Mordas expressed deep regret on behalf of the Association and the Board of Directors for the resignation and pointed out that the Johns-Manville Products Division would be staying as a member of the FSA for remainder of this year.

MINUTES

The Minutes of the Board of Directors' Meeting held on February 13, 1975, at Tarpon Springs were approved as distributed.

TREASURER'S REPORT

The Secretary/Treasurer presented an Income Expense statement covering the period from January 1, 1975 to May 31, 1975, which was approved as presented.

MEMBERSHIP REPORT

In the absence of the Membership Chairman, the Secretary/Treasurer made the following report:

1. Resignation - A letter of resignation was received from Collins Packing Company which was accepted with regret by the Directors.

2. Regular Members - The following companies were accepted as regular members:

W. L. Gore & Associates, Inc.
Elkton, Maryland

Holtz Rubber Company
Lodi, California

3. Associate Members -

Nippon Asbestos Company Limited
New York, New York

Asperit S.A.
Rio de Janiero, Brazil

4. Approval of Potential Member -

Norwesco Industries Limited of Canada was approved by the Board for a potential regular membership.

5. Associate member awaiting approval - The Merkel - Forsheda Corporation has again applied for an associate membership and the Board decided that either the Martin Merkel Company or the Forsheda Company could become Associate Members but the Merkel-Forsheda Corporation could not since it is only a sales organization and not a basic foreign manufacturer.

The Board of Directors was also advised that when Holz Rubber Company joins the REJ Division they will be asked to contribute their share of the testing program that the division has been working on.

Before concluding the membership report President Mordas appointed a committee to restudy our membership qualification as outlined in our bylaws with Clay Jewett as Chairman. Chairman Jewett was intructed to set up his own Committee and report back to the Board of Directors at their Annual Meeting in September.

MEMBERSHIP PLAQUE

The Secretary/Treasurer presented a sample of a Membership Plaque that would be used by the members identifying their company as an active member of FSA. The cost of the plaque in quantities of 100 with a walnut wood base would be approximately $8.00 each FOB Ft. Worth, Texas. The Board approved the sample plaque as presented and instructed the Secretary/Treasurer to find out how many of the plaques each member would want.

S & T COMMITTEE REPORT

Chairman Dick McDermott reported on the following items:

1. Glossary of Terms - Following the discussion that was held at the Compression Packing Division Meeting, Chairman McDermott decided that the only way to tackle the giant task of compiling a "Glossary" was to ask each Division Chairman to decide on what terms should go in the Glossary. Chairman McDermott plans to have

a meeting of the Division Chairman to continue work on this project.

2. Chairman McDermott presented to the Board of Directors three projects that the Molded Packing Division had suggested that they undertake for the entire association. After reviewing the projects, it was decided that only two of them would be undertaken, namely,

a. Sales Compensation
Scope: To provide individual company reports to a confidential depository and tabulation for selling expense as a share of sales; for alternative sales compensation and incentive plans.

Objective: To maintain competitive compensation and incentive plans for salesmen and Marketing Management. To provide the industry norms for hiring, seniority appraisals and promotion.

b. Safety, Health and Education
Scope: To provide individual company reports to a confidential depository and tabulation of existing practice in the areas of employee safety, health and educational testing.

Objective: To provide an array of current programs for evaluation by member companies as an improvement of their employee working conditions, medical safeguards and educational opportunities.

NOTE: To safeguard the confidentiality of any reports, a reporting code number would be assigned to each Division member. All individual company data would be destroyed ninety days after issuance of the composite report. All prospective projects would be submitted to legal counsel for review prior to adoption by the MPD and before the composite report is made.

Moreover, composite reports will not be issued for any item of sensitive nature unless four or more participants submit data for that item.

These projects, as presented by the Molded Packing Division were approved by the Board of Directors.

3. Chairman McDermott then brought up the question to the Board "who should or could be listed in each of the handbooks and what should be the minimum order necessary to qualify for listing in the handbooks".

It was decided that inorder to have a member's name listed in the handbook, they must comply with the following statement: "We manufacture and/or market this product and can provide consumers with the necessary technical service on this product line". This statement is to be signed by each member firm that wishes to go into a particular handbook.

In addition to the above, it was decided that a company must order a minimum of 250 copies of a particular handbook or contribute the cost of 250 handbooks.

Chairman McDermott also suggested that in the case of associate members that wish to have their name listed in the handbook as "Associate Sponsor", the following statement should be used as a qualification - "We provide raw materials which go to manufacturing of these products and can provide the association with technical service on this product line".

The above report was approved by the Board of Directors.

FLUID POWER COORDINATING COUNCIL

Laurens van Dyck advised the Board that he had been approached by the FPCC to have the FSA join this group. The dues for membership would be $250.00 per year. President Mordas asked Mr. van Dyck for his recommendation and in answering Mr. van Dyck felt at this time there was no need to join the Council.

"DUMPING" IN THE U.S. MARKET

Jerry Rooney told the members of the Board of Directors that he suspected that there was "dumping" of foreign goods by some members of our association as well as non-members in our industry. This is a very serious problem if it is true, as it is against the law. He pointed out that he had discussed this matter with our legal counsel, Gabe Nagy, and Gabe had looked up the procedure to be followed in order to prove that "dumping" was going on in our U.S. market. The members of the Board were asked to cooperate by obtaining price lists wherever possible from the foreign companies that were suspected of "dumping" and that these price lists and other information should be forwarded to our legal counsel, Gabe Nagy, for clearance, and he in turn would take the necessary steps to follow the matter up. A motion was made and seconded that such a procedure be followed. Motion carried.

VACANCY ON THE BOARD OF DIRECTORS

President Mordas appointed the following committee to make a recommendation for a replacement for T.P. Jackson on the Board of Directors of FSA by our next meeting.

Laurens van Dyck, Chairman
John Rhine
John Scannell.

There being no further business, the meeting was adjourned at 12:45 P.M.