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JM 501

M E M O R A N D U M

TO: File

FROM: REM

DATE: April 8, 1990

RE: DONALD T. CARLIN

On April 6, 1990, Donald Carlin of Asbestos, Quebec, visited the Freeborn & Peters Denver office to meet with Helen Marsh, Richard Meunier and Leslie Berry. Mr. Carlin was the person at the Jeffrey Mine responsible for compiling all reports on asbestos fiber sales during the period from 1955 to 1982. He was retained as a consultant by Freeborn & Peters in October, 1989, to compile and copy the Asbestos Fiber Division sales records from 1950 to 1983.

The following summarizes the information disclosed during our discussions with Mr. Carlin.

Personal Data.

Born: January 28, 1923
Education: Commercial degree, Verdun Tutorial College, Montreal
Current Address: 49 Boucher St., Asbestos, Quebec Province, Canada J1T 4B1
Phone: (819) 879-5398

Pre-Manville Employment.

1940-1941:	Canadian Pacific Railroad, Montreal
1941-1945:	Canadian Pacific Airlines, Montreal; position as "checker" (clerk).
1945-1955:	Price Brothers (wood products), Rimouski, Quebec; Secretary to Division Manager

Manville Employment. Mr. Carlin was employed by Canadian Johns-Manville Company, Ltd. (which later became Johns-Manville Canada, Inc.), from May 13, 1955 to September 1, 1982, when he retired. From 1955 until about 1967, he was the secretary to Noel Hendry, General Sales Manager of the Asbestos Fiber Division.

Carlin's duties in this position included: 1) drafting correspondence with customers in the U.S. and Canada and with the Asbestos Fiber Division at Manville Headquarters; 2) administering the compensation program for the fiber sales force, including the division of sales territories; and 3) compiling Asbestos Fiber

Division reports on fiber sales for JM Headquarters, for various Canadian governmental agencies, and for QAMA. The latter was filed annually, and reported tons of fiber sold by country of sale. The internal Manville reports reported tonnage and value of fiber shipped. He had no training or involvement with the technical side of asbestos mining or grading, other than what he picked up ancillary to compiling the above reports.

In about 1967, Mr. Carlin's title was changed to Assistant to the General Sales Manager, but his duties remained substantially the same.

In 1972, Noel Hendry left the Jeffrey Mine. Mr. Carlin was given the new title of Staff Manager, but now reported to Dimitri Poutiatine, who was in charge of Export Fiber Sales in Montreal. Mr. Carlin also became Credit Manager, which involved collections from fiber customers. Otherwise, his reporting duties remained the same. He held this position until his retirement in 1982.

Since retiring, Mr. Carlin has continued to live in company housing in Asbestos. He maintains contact with personnel at the Mine, and apparently has obtained permission from JM Asbestos Sales Inc. to enter the site and review sales records for years up through 1983.

Mr. Carlin testified in one case prior to Chapter 11 (the Fisher case in Superior Court of Ocean County, New Jersey, in November, 1981). Leslie Berry has requested a transcript of his testimony. Prior to being contacted by Freeborn & Peters in October, 1989, he apparently has not served as a consultant or witness in any subsequent litigation.

Fiber Sales Records. From 1950 to 1957, fiber sales records were posted in a ledger book by clerks in the Order and Billing Department. These records showed sales in tons, broken down by fiber grades, to each customer. The sales invoices from which the data was generated were generally kept for eight years and then discarded. Mr. Carlin speculated that there may be some invoices from prior to 1982 still in storage at the mine; he agreed to attempt to check on this in the near future.

In about 1958, Noel Hendry instituted a Kardex system whereby purchases were recorded on a separate card for each customer or each separate workplace of the customer.

Both the ledgers and the card system were typically posted and maintained by clerks within the Order and Billing Department. From time to time, however, Mr. Carlin posted the monthly data for both these systems. The ledgers, and later the cards, were kept in the Order and Billing Department office, but Carlin had access to them at all times, and used them on a regular basis, sometimes several times daily, in compiling his reports.

Beginning in 1967, the fiber sales records were maintained on a computerized database. The raw data was provided by the Order and Billing Department, and was entered by Data Processing personnel. Mr. Carlin checked the figures on the database each month to determine if there were any discrepancies from the daily totals compiled by the Order and Billing Department.

Through 1979, fiber sales were recorded in short tons. Beginning in 1980, sales were recorded in metric tonnes (2200 pounds).

In about 1980, a Physical Distribution Department was created to oversee both the Traffic Department and the Order and Billing Department at the Jeffrey Mine.

According to Mr. Carlin, African fiber purchases were not included in the figures given for sales from the Asbestos Fiber Division.

Fiber Sales Personnel. Mr. Carlin's recollection was that the fiber sales organization was established in the early 1950's, with salesmen covering four territories (i.e., New Jersey, Philadelphia, Cleveland, and Chicago). The number of territories was later expanded substantially as more sales personnel were added.

Mr. Carlin mentioned several salesmen and their territories by name, including: J.V. Harte in Cleveland during the 1950's through the mid-1960's; W.P.C. O'Reilly in Cleveland in the mid-1960's to mid-1970's; and W.T. Partridge in Chicago.

Fiber Distributors. Mr. Carlin was unaware of any records of fiber sales through distributors prior to the 1950's. While several distributors began selling fiber during the 1950's, all but International Fibers, Inc., of Cleveland OH, had discontinued selling Manville fiber by 1982. Asbestos Corporation of America (ACOA) was one of the largest distributors.

In reviewing the list of AFD Distributors dated July 14, 1977, Carlin recalled another distributor not appearing on the list, Great Western Chemical Co. of California. The Asbestos Company of America (ACOA) was one of the first J-M fiber distributors, dating back to the early 1950's.

Mr. Carlin estimated that only about 10% of fiber sales were effected through distributors. Usually, distributors sold in very small lots, often less than one ton. A large customer typically would purchase through a distributor only in an emergency situation, such as if it ran out of fiber or its normal supply was cut off. Manville preferred not to sell through distributors because it offered substantial discounts to large distributors, which reduced its profit margin. Distributors were given a 10% discount on short fibers (Grade 7), and 5% on longer fibers (Grades 4, 5 and 6). Manville had begun to phase out its distributor network by the late 1970's.

Fiber Grades in Sales Records. In the course of our discussions, Mr. Carlin commented on several notations that appear in the sales records with regard to certain fiber grades. For example, the notation "AX" refers to an experimental grade or blend of fiber grades. In some cases, certain blends contained both Rhodesian chrysotile (which he called "African Blue") and Jeffrey Mine chrysotile.

Likewise, the notation "S" denoted silica-treated fiber, which referred to a process for refining and cleaning the fiber. Some fiber was referred to as "SS" or "SSS" if the process was repeated for additional refining.

The notation "Promesium" referred to an 8T or 8S fiber which was used in agricultural chemicals (fertilizers).

The notation "floats" referred to Grade 7RF1 or 7TF1 fibers from the Jeffrey Mine. These were the shortest fibers, which, because of their very fine, almost powder-like properties, were used as paint fillers or joint cements. Similar fibers from the Coalinga mine did not carry a grade notation, but were always called simply "floats".

Grade 1 and Grade 2 referred to the most expensive, hand-picked fiber clusters that were used in textiles because of their length and spinnability. These were not otherwise graded or milled.